WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE MEETING
Wednesday, September 6, 2023 - 2:00pm – 3:30pm (Remote)

Members in Attendance: Holli Andrews (City Planner, City of Ypsilanti); Council Member Chris Watson (City of Ann Arbor); Supervisor Ken Schwartz (Superior Township); Heather Jarrell Roe (Clerk, Ypsilanti Township); Trustee Linda Adams (Augusta Township); Jessica West (Director of Community Development, Pittsfield Township); Mayor Pro-Tem Janet Dillon (City of Saline); Council Member Bill Ruddock (City of Chelsea); Betsy Michaud (Community Network Coordinator, Dexter Township); Trustee Sandie Schulze (Sylvan Township); Mark Lloyd (Township Manager, Northfield Township).

Members Absent: Supervisor Diane O'Connell (Ann Arbor Township); Mayor Shawn Keough (City of Dexter); Supervisor Chuck Tellas (York Township); Supervisor Duane Luick (Lima Township); Supervisor Laurie Fromhart (Bridgewater Township); Supervisor Gary Whittaker (Salem Township); Supervisor Jim Marion (Saline Township); Supervisor John Kingsley (Webster Township); Supervisor Ronald Milkey (Manchester Township); Supervisor Will Hathaway (Scio Township).

Facilitator: Commissioner Justin Hodge

OCED Staff Present: Tara Cohen, Jasmyne Townsend, Morghan Boydston, and Karen Newman

Members of Public Present: Amy Krieg (Attorney & Compliance Officer, Habitat for Humanity), Wendy Carty-Saxon (Director of Real Estate Development, Avalon Housing), Amanda Carlisle (Executive Director, Washtenaw Housing Alliance), Jennifer Hall (Executive Director, Ann Arbor Housing Commission), Scott Ellis (Director of Mission Advancement, Avalon Housing), and Aubrey Patino (Executive Director, Avalon Housing)

I. Welcome & Introductions – Roll Call

Pursuant to MCL 15.263 Sec.3, Ms. Townsend took roll call during which each member stated their name and physical location (I.e. City or Township, Washtenaw County, State of Michigan).

Schulze: Participating remotely from Sylvan Township, Washtenaw County
Andrews: Participating remotely from City of Ypsilanti, Washtenaw County
Watson: Participating remotely from City of Ann Arbor, Washtenaw County
Schwartz: Participating remotely from Superior Township, Washtenaw County
Adams: Participating remotely from Augusta Township, Washtenaw County
West: Participating remotely from Pittsfield Township, Washtenaw County
Ruddock: Participating remotely from City of Chelsea, Washtenaw County
Dillon: Participating remotely from City of Saline, Washtenaw County
Michaud: Participating remotely from Dexter Township, Washtenaw County

Jarrell Roe joined at 2:30 pm – Participating remotely from Ypsilanti Township, Washtenaw County

II. Public Comment

Zoom link:
https://washtenawcounty.zoom.us/j/87514148686?pwd=QTFndWV6TkphL3g0R3hnV2FSVXpEdz09
Passcode: 036269

Telephone: US: +1 470 381 2552 or +1 267 831 0333 or +1 301 715 8592 or +1 312 626 6799
Webinar ID: 875 1414 8686

At 2:10 Commissioner Hodge opened the meeting for public comment.

Public comment was received from the following:

Amanda Carlisle (Executive Director, Washtenaw Housing Alliance)

> *"I wanted to comment on the new proposal for the HOME-ARP Allocation. I have a few comments and questions or suggestions. If the new proposal is providing an allocation that balances long term and short-term housing needs, this is a positive change from the Substantial amendment proposed earlier this summer where there was $0.00 proposed for the long term solutions like development of the affordable housing. I'm concerned though with two particular aspects of the County's new proposed allocation plan regarding 40% allocated to supportive services. The plan states the county intends to award and spend down the supportive services funding over a 3 to 4 year timeframe for annual RFPs. We suggest the county takes a more holistic long-term approach for any funding rooted in housing first and does not create a bourdon on providers by doing annual RFPs. Our approach would be to do one RFP that responds to known and continuous needs provided in the homeless and housing systems of care. Regarding 40% allocated to affordable rental housing and housing development, the plan is uniquely specific. Which states the county anticipates a single RFP process within a year and this RFP will solicit proposals for future development i.e. not in the development pipeline that can accommodate families or larger households. WHA is concerned with this specific language which indicates that funding will not support development projects currently in the pipeline which may jeopardize the viability of current development in the process which may in turn increase rent cost for those projects if they don't receive the funding to fund that gap where additional would provide. Furthermore, this proposal is limited to development for families of more larger households limiting the funding allocation to affordable housing which does not make a lot of sense when the Washtenaw County systems modeling report shows the greatest need is among single adult households. I think having the flexibility to pick the best project regardless of target populations will be a better approach just like the county has used in the past."*

Wendy Carty-Saxon (Director of Real Estate Development, Avalon Housing)

> *"Similar to Amanda, I really do recognize the options of weighing emergency needs with long term solutions. I will say this unique type of one-time funding under the ARP is most effective for capital and development cost. So, even though its time limited we can use it towards supportive housing and staff for long term. I do appreciate the county now suggesting 40% HOME-ARP funding goes to affordable housing development. We also have a concern with limiting development to families with larger households which will exclude our chronic homeless population. Also, we are concerned about the language regarding funding may not support development of projects currently in the pipeline which could jeopardize the viability of those developments. The current language stating this funding will not go towards development in the pipeline suggest that current development will need to find funding elsewhere which would ultimately put a financial strain taking on a more permanent loan with a higher chance of debt to make up for the missing funding. This would result in having higher rent cost for people which could make*

these housing developments not affordable or lead to evictions. Another option for us is that we would use funds from supportive services which will limit usage of those funds. There can be real consequences with the current language. We feel the funding should include developments in the pipeline because the rise of cost for construction and items needed for construction. I do want to note at a state level MSHDA has created programs that will help projects in the pipeline and have funding gaps."

Jennifer Hall (Executive Director, Ann Arbor Housing Commission)

"Hi I'm Jennifer Hall, I am the Executive Director for the Ann Arbor Housing Commission. I've previously worked for OCED and was a part of being responsible for the HOME funds. So, I understand as an administrator and applicant this process. I want to thank OCED for adding back the housing funds. I think it's important for people to understand how difficult it is to create and develop affordable housing. If it was easy, we would not have the crisis we are in right now. Affordable housing development can take up to 3 to 5 or more years from concept to occupancy. Nationally, the biggest spending source for rental housing is an IRS program called Low-income tax credits. As Wendy mentioned, costs are going up. In the past tax credits have provided 60% of our funding compared to now on a current project called Catherine Street tax credits are providing 40% of our funding. The remaining cost will have to be filled in with other funding sources – I think this is going to be the new normal going forward. We actually have had 12 different funding sources including our first award of HOME funds on a project we are working on. It is important for people who are making these decisions to understand development is risky and difficult when wanting to develop affordable housing for the homeless or those at risk of being homeless is the hardest of all. The lower the income is, the lower the rent needs to be. I also want you to understand that the county is actually responsible for ensuring these HOME-ARP funds are fully complied with. The County is on the hook to pay back any funds if projects are out of compliance. This is not the funding source for new developers or nonprofits that have not received HUD funding before because they are difficult to comply with. OCED actually has to follow a Coordinated Entry process, which is HAWC and the Continuum of Care. They have to conduct an environmental assessment and review the developers financial plan, among other items. I specifically have questions around language and family size, I'm not sure what the intent of that language is. But I wanted to make sure it is clear in the RFP process that these funds are actually available to single family households based on the HUD definition of family households. Secondly, my question is about the pipeline, but I can save that for the second public comment section in the meeting."

III. **Announcements from Members and/or Staff** – None

IV. Minutes

A. 07-12-2023 Meeting Minutes – Review & Approval **(ACTION)**

Moved by Adams. Supported by Schwartz.
ROLL CALL:

Schulze: Yes
Andrews: Yes
Watson: Yes
Schwartz: Yes

Adams: Yes
West: Yes
Ruddock: Yes
Dillon: Yes
Michaud: Yes
Lloyd: Yes

Ayes – 10; Nays – 0; **Motion carried.**

V. General Administration

A. Approval of Substantial Amendment to HOME-ARP Allocation Plan (Tara Cohen & Morghan Boydston, OCED)

In June, there were four public hearings hosted during a 30-day comment period to discuss the original HOME-ARP plan. Ms. Cohen shared there were over 55 comments received representing multiple individuals and organizations. Following the comments received, County staff came together to reflect on the input to better balance the immediate needs for supportive services and long-term affordable housing efforts. Ms. Cohen clarified there is flexibility in the language regarding the RFP process and family household sizes in response to concerns stated during the earlier public comment section of this meeting. Ms. Cohen noted the concerns mentioned regarding the language referring to new development and development currently in the pipeline.

Boydston explained there is a joint concern regarding funding moving throughout the county and into the community. Ms. Boydston further stated that HOME-ARP funds will provide a new source of funding with the hopes to leverage with other funding such as HUD ESG and MSHDA ESG; essentially, with this goal for the funding, there will be additional work required from service providers.

Commissioner Hodge opened the floor for discussion and comment.

Questions:
Watson: For these grants is it a three year spend down from the grant date – would each new project need to have all items lined up and spent in the three years?

Answer:
Cohen: The spend down date for the HOME-ARP is on September 30, 2030, with the intention to allocate the supportive services funds through annual RFPs.

Questions:
Watson: Traditionally, for the RFP process has a 60-day timeline – and we're asking organization and developers that do not are already have projects in the pipeline. So, are we asking once this RFP goes out, we're expecting people to submit a plan within 60 days for new development and supportive housing? It seems less possible for that timeline.

Answer:
Cohen: The language currently states the intention for staff to RFP the funds for new development within a year of HUD approving the Substantial Amendment to the Allocation Plan. I would like to preface this question towards the group because this current language is staff's recommendation, but this group will ultimately decide and vote on what the new language will be in this plan.

Comment:
Ruddock: I agree with the idea to fund new projects with these ARP funds, but as a finance person one time funding to support homelessness does not make any sense. We should be using this funding 100% on infrastructure or long-term solutions.

Commissioner Hodge thanked Council Member Ruddock for his comment and asked for a motion to be put on the floor to accept the current language in the amendment.

Motion moved by Schwartz, Supported by Jarrell Roe

Discussion:
Watson: Would something already in the pipeline look like community engagement on a county owned or city owned lot for use of affordable housing? Would this be considered a new project because there is no in-depth plan?

Cohen: At this stage and with the current language there will be flexibility regarding this question. There will be broader flexibility regarding the RFP language.

Boydston: If there are no funds attached to a project or developer in mind this can be considered a new project and not in the pipeline.

Watson: I wanted to discuss taking out the language regarding projects in the pipeline and projects dedicated to larger family sizes.

West: Trying not to preclude that an existing project may need additional funds to come to fruition. Modifying that language could make sense. Understanding that the intention for these funds is for new developments. Perhaps there's a different way to word this. "Respecting that we want new projects but not precluding existing projects that might otherwise fail".

Jarrell Roe: It'll save us in the future if we remove that ambiguous language referring to the pipeline. Could we potentially change it to say, "projects that don't already have allocated funding"?

Watson: In terms of getting rid of the requirement – precluding sources that already had funding sources lined up. I'm OK with 1 or 2 funding sources lined up, because that doesn't make a project for sure. While we want to be able to meet need of multi-family housing, I agree with the preferences for families, but also know we have a gap for single adults.

Watson suggested to amend the current language to:

"This RFP will solicit proposals for future developments with preference for those providing housing that can accommodate families or larger households.

Moved by Watson. No second.

Michaud asked if she could abstain from voting on this matter due to being new to the matter at hand.

Jarrell Roe motioned to remove the language (i.e. not yet in the pipeline).

Moved by Jarrell Roe. Seconded by Watson.

Ruddock: No
Michaud: Abstain
Watson: Yes
Adams: No
Jarrell Roe: Yes
West: Yes
Andrews: Yes
Lloyd: Yes
Schwartz: Yes
Dillon: Yes
[Schulze was absent for this vote due to Zoom/connectivity issues.]

Ayes – 7; Nays – 2; Abstentions – 1; **Motion passed to amend the language "i.e. not yet in the pipeline."**

Ruddock moved to change the percentages outlined in the current budget table by removing all the funding from supportive services leaving 80% for housing development.

Watson: Second (for discussion)

> **Discussion**:
> *Watson: Agree in principle with Bill – this was the original plan to put it all in development – but don't think we can go back to that now. I understand the need to split 50/50 (evenly) between services and development.*
>
> *West: I agree with the principle of one-time use funding going toward long-time projects and not ongoing services, but based on the conversations around immediate needs, urgent concerns to address, I don't think we are at the point where we can say all or nothing.*
>
> *Jarrell Roe: In an ideal world agree with Bill but in our own community we see homeless encampments, etc. We have to work in the system we're given, and our system needs both right now.*
>
> *Dillon: Where are we with long term visioning as to shift that funding for long term versus short goals? I want to know if there is a plan in place to change based on the year to work towards the number we want.*
>
> *Commissioner Hodge: This is something that will be discussed at the Board of Commissioners meeting where we will be presenting on housing within the county and plans to address these concerns.*

Dillon – no
Schwartz – yes
Lloyd – no
Schulze – yes
Jarrell Roe – no
Adams – yes
Watson – no
Michaud – no
Ruddock – yes

West – No
Andrews – No

Ayes – 4; Nays – 7; **Motion failed to remove all funding from supportive services leaving 80% for housing development.**

Watson moved to change the split to 48% to development and 32% to supportive services.

Ruddock: Second

> **Discussion**:
> *Andrews – Is there logic behind this split?*
>
> *Watson – This just puts more into affordable housing development.*
>
> *Ruddock – This is one time funding. If I had bread every day to feed the homeless then I would feed the homeless every day. But this is one time funding and I believe funding should go towards new development.*
>
> *Jarrell Roe – These amounts aren't going to change available funds by an astronomical amount. However, these funds will have some impact with what it can provide.*

Ruddock: Yes
Michaud: Yes
Watson: Yes
Jarrell Roe: No
Andrews: Yes
Schulze: Yes
West: Yes
Lloyd: No
Schwartz: Yes
Dillon: No

Ayes – 7; Nays – 3; **Motion passed to change the split to 48% to development and 32% to supportive services.**

Watson moved to support the Substantial Amendment to the HOME ARP Allocation Plan as amended.

He also shared his gratitude for the decision to move $400,000 around to make additional units and to OCED staff for lending their expertise.

Moved by Watson. Seconded by Ruddock.

Ruddock: yes
Michaud: yes
Watson: yes
Jarrell Roe: yes
Andrews: yes
Schulze: yes
Adams: yes

West: yes
Lloyd: yes
Schwartz: yes
Dillon: yes
Ayes – 11; Nays – 0; **Motion passed** to support the Substantial Amendment to the HOME ARP Allocation Plan as amended.

B. Public Hearing: Draft 2022 Consolidated Annual Performance & Evaluation Report
Ms. Townsend shared her screen to present a 3-page summary of the 2022 CAPER report, which outlines the Washtenaw Urban County's accomplishments for the previous fiscal year through the use of CDBG, HOME, and ESG funds received from HUD. She noted that the 30-day Public Comment period began August 30, 2023, and would close September 28, 2023. Ms. Townsend said she plans to submit the final report to HUD by September 30th (per deadline of 90 days after close of the reporting year).

At 3:17 PM, Commissioner Hodge opened the public hearing for input on the Draft CAPER. No comments were received, and hearing was closed at 3:17 PM.

C. Urban County 2023 CDBG Allocation and Donation Acknowledgment Letters
2023 HUD grant agreements were received in early July. By the end of September, each community should receive an email from Ms. Townsend that includes a letter with information about their 2023 CDBG allocation. For communities that programmed their allocations in the 2023 Action Plan, the letter will reference the specific project(s). For all other communities, the donation letters will notify them of their final 2023 CDBG allocation under the approved formula. In addition, for all other communities, the donation letters will remind them that their funds are being directed into the Single-Family Rehab Program (which serves the entire Urban County). The practice of sending out the allocation and donation acknowledgment letters to member communities upon executing the grant agreement with HUD began 4 years ago.

VI. Public Comment – See II. above for Zoom details. - None

VII. Adjournment
Motion to Adjourn – Moved by Jarrell Roe. Supported by Ruddock.
Adjourned at 3:19 PM

Next Meeting: Wednesday, November 1, 2023, 2:00 – 3:30pm, Location: Remote (Zoom)