

MINUTES

Housing and Human Services Advisory Board
Tuesday, November 18, 2008 6:00-8:00 PM
110 N 4th Ave, 1st floor conference room

Members Present: David Blanchard, Barbara Eichmuller, Kristine Martin, Margie Teall, Teresa Myers, Stephen Pontoni, Anna Erickson, Sandi Smith

Members Absent: Robyn Konkel, Roger Kerson, Ned Staebler, Anthony Ramirez, Stephen Rapundalo, Soni Mithani,

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

Guests: None

I. Convene Meeting

D. Blanchard called the meeting to order at 6:08 PM

II. Public Comment

None.

III. Approval of Agenda

B. Eichmuller moved to approve the agenda; K. Martin seconded. Motion approved, 6-0 (David Blanchard, Barbara Eichmuller, Kristine Martin, Teresa Myers, Stephen Pontoni, Anna Erickson 6 Aye, 0 Nay)

IV. Approval of Minutes

B. Eichmuller moved to accept the minutes from October 14, 2008 with the following changes: Teresa Myers was absent, the title should be changed from “agenda” to “minutes”; and the public comment under section VI. Should be changed to “... process that is transparent, and that accommodates those with limited English proficiency or other challenges that would cause their proposal to be received less favorably than others.” K. Martin seconded. Motion approved, 6-0 (David Blanchard, Barbara Eichmuller, Kristine Martin, Teresa Myers, Stephen Pontoni, Anna Erickson 6 Aye, 0 Nay)

V. Discussion Issues

a. Human Services Funding

Mary Jo Callan provided charts showing the funding history of individual non-profits as well as historical funding allocations by priorities. The only area the City and County are not aligned on priorities is the category of senior. At the City, funding for seniors occurred within the priorities of housing, health and economic stability. The County had a separate category for seniors.

The other difference is that the City pre-determines the percent of the total allocation that will go to each priority as part of the RFP process. The County does not pre-determine the percent of funding by priority. The chart showing the County's breakdown of funding by priority is just a summary of what was actually funded previously. The four priorities are: increase housing stability, increase access to health and well-being, increase long-term success of at-risk youth, and increase economic stability.

MJ Callan provided additional data on mortgage foreclosures, homelessness, and unemployment. In summary, the indicators are worse in all categories. The data is meaningful to a point; because we can only provide data that we or someone else collects. And, many proposals could fit under more than one category.

M. Teall asked why the City has been using this model of predetermining the percent of funds in each category? Why not use the County model and score RFP responses on their merit, regardless of the category they fall into? We should evaluate the proposals on their community impact. M. Teall indicated that S. Rapundalo shared with her that previously, the Executive Committee had funded some proposals with a lower score than ones with a higher score because that category had fewer applicants.

B. Eichmuller asked if the City general funds will go to the County too? MJ Callan responded that the RFP and evaluation process merges the funds, but once a recommendation is made by the evaluation committee, the City will need to approve its general funds and the urban County will need to approve its CDBG and general funds. City general funds will go to provide services to City residents even if the provider is located outside the City of Ann Arbor.

S. Smith asked for a cheat sheet of acronyms.

MJ Callan asked for the HHSAB to recommend the priorities to Council and suggested the group decide on 1 of 3 models:

1. % of funds allocated to each priority
2. All priorities equal and the highest ranked projects are funded
3. Rank the priorities but not allocate a percent of funds to the priority, but an application for funds in a higher ranked category will additional points.

MJ Callan recommends Option 3. A public hearing on these priorities and process will be held at the City Council meeting on December 15th.

D. Blanchard stated that although he does not like arbitrarily dividing the funds by priority, the advantage is to encourage more agencies to apply for funding in an area we don't have enough of. M. Teall questioned whether there was a lack of agencies. S. Pontoni added that we should encourage groups to do what they do best, not jump into new programs. By not attaching a % of funds to priorities, it allows organizations to go with their strengths.

D. Blanchard thought that the previous evaluation form included extra points for projects that increased housing stability. M. Teall agreed that housing could be prioritized if the proposal is preventing homelessness. We want to reward those with the greatest impact. S. Smith agreed that keeping people housed could be weighted as a subset. D. Blanchard favors a loose system of policy priorities and rewarding non-duplicative proposals and collaborations to create efficiencies. MJ Callan added that CD will create the evaluation criteria. The Urban County already approved these priorities without percents or \$'s attached to priorities. We need the HHSAB to recommend priorities to council for the public hearing on December 15th.

K. Martin favors supporting the priorities as approved by the Urban County. A lot can happen to the economy in the next 2 years. There are a lot of unknowns. M. Teall agreed not to weight the priorities. A. Erickson asked can't not having healthcare or a job lead to homelessness? She would not prioritize housing higher than everything else. T. Myers asked if the priorities could be ranked even if they are not weighted?

A. Erickson asked if effectiveness can be measured? MJ Callan responded that today, we do not do a good job of measuring effectiveness but we are getting there and as resources become scarcer, measuring effectiveness is becoming more valuable. We can achieve goals by rating prevention and safety as a higher priority than enrichment. D. Blanchard stated that scoring is part of prioritizing and valuing proposals. S. Pontoni stated that it is artificial to say that all the priorities are equal but we are not going to fund finger painting. If we want maximum flexibility, we should keep the priorities as they are--unweighted. S. Smith agreed. No one is willing to put a value judgment on categories but we are looking to fund basic needs not enrichment.

MJ Callan stated that at the December meeting some evaluative priorities that are value driven will be brought back for discussion, but not the entire evaluation process, which is administrative. S. Pontoni would like to see innovation or creativity rewarded. M. Teall would like to see non-duplication and prevention as a requirement. S. Smith would like to see regional cooperation.

K. Martin moved to recommend the priorities presented by CD to Council for the December 15th public hearing. And to discuss the overarching umbrella of evaluating proposals at the December HHSAB meeting, seconded by T. Myers. Motion approved, 6-0 (David Blanchard, Barbara Eichmuller, Kristine Martin, Teresa Myers, Stephen Pontoni, Anna Erickson 6 Aye, 0 Nay)

MJ Callan stated that the decision making process will be a review committee of 3 Urban County members, 3 City of Ann Arbor members and 3 CD staff members. The HHSAB could recommend to council that the HHSAB recommend the 3 Ann Arbor members. Council could agree or decide to choose their own members. The

intent is that once the evaluation committee makes recommendations on funding, the Urban County will approve their funds and endorse the City of Ann Arbor funds and the City will approve their funds and endorse the Urban County funds.

B. Eichmuller moved to recommend to council that the HHSAB select 3 people from the HHSAB or others to serve on the Human Service Funding Evaluation committee, seconded by S. Pontoni. Motion approved, 6-0 (David Blanchard, Barbara Eichmuller, Kristine Martin, Teresa Myers, Stephen Pontoni, Anna Erickson 6 Aye, 0 Nay)

b. PILOT

J. Hall reported that the City's PILOT (payment in lieu of taxes) is a critical means to support affordable housing in the City. The City provides operating support to housing providers and then turns around and charges taxes from them. Essentially the CD's funds are paying the taxes. The PILOT ordinance was amended 2 years ago to charge \$1/unit instead of 10% of sheltered rents for qualified projects serving households at 50% AMI or less. The impact is significant on the operations of non-profit housing providers and senior housing (which is still 4% of sheltered rents). And, it shifted the support as a city-wide support. CD is recommending the following amendments:

- Units in eligible projects serving households from 51% AMI to 80% AMI pay 4% of sheltered rents as a payment in lieu of taxes.

S. Smith asked what the impact on the City's finances would be? J. Hall replied that the immediate impact would be \$3,000 to \$5,000 a year for existing eligible projects owned by CHA, MAP, Avalon and WAHC. Typically 2-4 units/yr in these projects do not qualify for the \$1/unit PILOT because the households exceed 50% AMI, due to changing economic circumstances. The nonprofits end up paying the full taxes on those units ranging from \$800 - \$1,200/unit even though the rents is not increased to cover those taxes.

In addition, this could provide an incentive to the cooperatives, which are technically eligible for PILOT's (but they have not taken advantage of them), to maintain long-term affordability and not go market rate. The cost to the City for the cooperatives is unknown; it depends on the incomes of the occupants. M. Teall agreed that this could have a huge impact on the cooperatives. K. Martin does not want to make a recommendation without more information on the impact on the City budget. Can the decision be postponed until January after more discussion and information? J. Hall will bring more information to the December meeting for discussion.

VI. Public Comment

None.

VII. Adjournment

B. Eichmuller moved to adjourn the meeting; K. Martin seconded. D. Blanchard adjourned the meeting at 7:52 PM