

**THE CITY OF ANN ARBOR
CONSOLIDATED STRATEGY AND PLAN**

July 1, 2000 - June 30, 2005

Table of Contents

	<u>Page</u>
HUD Form 424	i
Executive Summary	4
Summary of Development Process.....	6
Section I. HOUSING AND COMMUNITY DEVELOPMENT NEEDS.....	9
Part 1	
Housing Needs - Current Estimates/Five Year Projections	9
Priority Needs Summary Table	10
A. Explanation of Dollars Needed to Address Needs.....	13
B. Extremely Low Income	17
C. Very Low Income	19
D. Other Low Income	21
E. Moderate Income.....	23
Part 2	
Homeless Needs.....	25
A. Needs of Sheltered and Unsheltered Homeless.....	25
Homeless Populations and Subpopulations Table.....	27
B. Subpopulations	28
C. Populations with Special Needs	31
D. Inventory of Facilities and Services for Homeless Persons.....	34
E. Inventory of Facilities and Services for Persons with Special Needs	37
Part 3	
Other Community Needs.....	39
Part 4	
Public Housing Needs	44
Part 5	
Lead Based Paint Needs.....	45
Part 6	
Market Conditions	46
Table 1A - Population & Household Data.....	47
Table 1B - Market & Inventory Conditions.....	48
Part 7	
Barriers to Affordable Housing	60
Part 8	
Fair Housing.....	61

Part 9	Institutional Structure.....	63
Part 10	Government Coordination	65
Section II.	HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN	66
Part 1	Objectives	66
	1. Expand the Supply of Affordable Housing.....	67
	2. Increase Housing Alternatives for Homeless Persons.....	71
	3. Homeownership	73
	4. Community Viability, Access to Public/Human Services	75
	5. Economic Opportunities	77
	6. Other Objectives	77
Part 2	Housing and Community Development Resources	79
	1. Federal Programs	79
	2. Non-Federal Public.....	79
	3. Private Resources.....	80
	Funding Sources	81
Section III.	ACTION PLAN: ONE YEAR USE OF FUNDS	82
Part 1	Community Development Block Grant Activities.....	84
Part 2	HOME Program Activities	88
Part 3	Listing of Proposed Projects	88
	1. Rehabilitation.....	106
	2. Rental Assistance	106
	3. New Construction Renter	107
	4. New Construction Owner	107
	5. Supportive Services	107
Part 4	1. Other Actions	107
	2. Anti-Poverty Strategy.....	108
	3. Coordination Efforts	109
	4. Support of Applications by Other Entities.....	110
Section IV.	CERTIFICATIONS	111
Section V.	Summary of Citizen Comments	123

APPENDIX

A. Definition of Terms	A1
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B. Assisted Housing Inventory	B1
C. Map 1 - Assisted Housing and Public Housing Locations	C1
D. Map 2 -Projects.....	D1
E. Map 3 - Low-income Areas	E1
F. Map 4 - Census Tracts.....	F1
G. Citizen Participation Plan.....	G1
H. City Council and Committee Membership Listing.....	H1
I. Summary of 1995/96 CDBG and Home Projects.....	I1
J. Summary of 1995/96 City General Fund Projects.....	J1

List of Illustrations

TABLES

Section I.
Part 1 Priority Needs Summary Table 10
Part 2 Homeless Populations and Subpopulations Table..... 27
Part 6 1-A Population and Household Data 47
1-B Market and Inventory Conditions 48

Section II.
Part 2 Funding Sources 81
Part 3 Listing of Proposed Projects 88
Part 4 Support of Applications by Other Entities 110

FIGURES

Section I.
Part 6 1 - Growth Rate - Total Dwelling Units 46
2 - Housing Unit Types..... 49
3 - Bedroom Distribution by Owner/Renter 50
4 - Age of Housing Stock 51
5 - Vacancy Rates 52
6 - Value of Owner Occupied Units 55
7 - Average Residential Selling Prices 56
8 - Bedroom Distribution - Assisted Units 57

THE CITY OF ANN ARBOR
CONSOLIDATED STRATEGY AND PLAN

Executive Summary

The National Affordable Housing Act was enacted in November, 1990 and contained the requirement that communities must develop a Comprehensive Housing Affordability Strategy (CHAS) which documents community housing needs, market and inventory conditions, and available resources. In 1994, the Department of Housing and Urban Development (HUD) proposed a rule to replace the CHAS with a single document which consolidates the planning and submission of Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) formula programs with the requirements of the CHAS. These programs are included in the Consolidated Strategy and Plan (PLAN), which is intended to serve as a comprehensive housing and community development plan for the community over a five year period. The Plan updates the CHAS using 1990 Census data, city records, individuals' and organizations' input. Prior to completion of the final Plan, public hearings and public meetings were scheduled to solicit comments from the public. The comments received were incorporated as appropriate into the revised Plan and the Plan was reviewed by City advisory boards and City Council. Following City Council approval, the final version was submitted to the Department of Housing and Urban Development.

The PLAN was developed with the following purposes based on regulations developed by the Department of Housing and Urban Development:

- A. **To assess the housing and community development needs of extremely low-income, very low-income, low-income and moderate-income households in the community, and project these needs over a five year period.**

The most critical housing assistance needs identified are for rental assistance for very low income renters; rehabilitation of rental housing units for very low income families, persons with disabilities and the homeless; rehabilitation of housing for very low income homeowners; and limited homebuyer assistance for first time homebuyers. Critical needs are also identified in the area of homeless prevention and services, crime awareness and prevention, childcare, employment training and support services, substance abuse prevention, health care, services to seniors, services to persons with disabilities.

- B. **To assess the extent of homelessness, the need for facilities and supportive housing needs of homeless persons and others with special needs.**

Transitional housing and supportive services focused on self-sufficiency for homeless families and individuals is necessary to address Ann Arbor's homeless problem. Despite the range of supportive services, permanent housing options for the homeless and very low-income are limited because of high rents and property values.

- C. **To detail the housing inventory and market conditions, including barriers to affordable housing.**

Steadily increasing property values, expensive rental rates and high land costs characterize the Ann Arbor housing market. The ratio of homeownership to rental housing is much lower in Ann Arbor compared to the national average, and Ann Arbor has one of the highest HUD-established Fair Market Rent (FMR) rates in the State of Michigan. Household size in Ann Arbor is lower than the national average, given Ann Arbor's student population.

- D. **To formulate a comprehensive strategy relating to housing, community development and supportive services within the community.**

In order for programs and projects to be considered for federal funding over the next five years, the program or project must be compatible with the City's Consolidated Strategy and Plan. Programs which may be undertaken include: expanding the supply of affordable rental housing and preserving the existing housing stock; increasing homeownership opportunities for low-income families; increasing housing alternatives for homeless persons and families, and for other persons with special

needs; provide programs and supportive services which expand and promote economic opportunities; provide programs and supportive services to a range of human services targeted at priority community needs.

E. To establish priorities for assistance for a five-year period which relate to the housing and community development needs.

The City of Ann Arbor will seek to expand the supply of affordable rental housing and preserve the existing housing stock through programs and projects which will provide new construction of units, additional rental subsidies, and a continuing emphasis on rehabilitation of existing residential structures. The City will seek to increase homeownership opportunities for low-income families by continuing to focus rehabilitation efforts in the Bryant neighborhood, promoting homeownership initiatives among area non-profits and the Housing Commission, and exploring additional cooperative housing projects. The City supports homelessness prevention programs with input from the non-profit service providers and advocates, the County and other governmental units, and the United Way. The city will seek to increase housing alternatives for homeless persons and families and others with special needs by supporting the construction or substantial rehabilitation of permanent and transitional housing units and the expansion of supportive services. The City will seek to identify and utilize resources available to address housing needs by supporting regional efforts to develop affordable housing and seeking other revenue sources. The City will seek to facilitate public/private initiatives to develop affordable housing by continuing to work with area non-profits. The City will seek to identify and reduce barriers to the development of affordable housing.

F. To identify federal, state and local resources anticipated to be available to meet the needs.

A key component of the Plan is to identify potential financial resources for housing. The City will utilize Community Development Block Grant entitlement monies, HOME Investment Partnership monies, Shelter Plus Care Program funds and General Fund monies to fund affordable housing development and supportive services. Area agencies will seek state-allocated Federal funding from the Emergency Shelter Grant program and other federal funds included in the National Affordable Housing Act. Other funding sources include the Federal Emergency Management Act, Transitional Housing Program, Supportive Housing Program, HOPWA Program, MSHDA Homeless Program Grants, Emergency Housing Apartment Program, Michigan Department of Social Services, Michigan Department of Mental Health, the Ann Arbor Housing Trust Fund, the Comprehensive Grant Program for public housing, private and foundation contributions, including the Michigan Housing Trust Fund, and LISCS.

G. To establish an annual action plan which outlines the intended uses of resources.

The City has established goals for rehabilitation of rental units, single family units, public housing and cooperative units and transitional housing for the homeless. Additional Section 8 rental subsidies will be requested, and completion of construction of previously approved elderly and family units is planned. A limited number of single family homeowner units have also been proposed for the annual goal. Goals are established to serve individuals and families with a range of human services programs and continuum of care services.

SUMMARY OF DEVELOPMENT PROCESS

The Consolidated Strategy and Plan (PLAN) is a five-year plan required by the Department of Housing and Urban Development (HUD) for participation in federally-funded housing and community development programs. The Consolidated Strategy and Plan is designed to open opportunities for collaboration and collective problem solving by public and private agencies, other governmental units, the Public Housing Commission, city departments, citizens, and other interested parties.

The City of Ann Arbor has encouraged broad participation and diverse community review of its many policies and programs relating to HUD requirements. This Plan is built on the research, information, agency and citizen participation that was utilized in the preparation of the City's the FY 1995 - 2000 Consolidated Strategy and Plan. The following briefly describes the process and activities used for the development and approval of the FY 2001-2006 Consolidated Strategy and Plan.

A. COMMUNITY NEEDS ASSESSMENT PROCESS

In order to determine the City of Ann Arbor's overall housing and community development needs as well as barriers to meeting these needs, the City developed a process and schedule which encouraged community participation while detailing milestones to be used in developing the Plan. On October 17, 1994, preliminary information about the Plan, the process and the schedule was presented to City Council and the Community Development Block Grant (CDBG) Executive Committee. This same information was presented to the Housing Policy Board on October 19, 1994.

A mailing was sent out on October 25, 1994 to targeted neighborhood groups, City Council, CDBG Executive Committee, Housing Policy Board, Planning Commission, Housing Commission, Downtown Development Authority, local nonprofit agencies and other interested groups which included information about the Consolidated Plan and process, a schedule and a community needs survey. Respondents were asked to complete and return the survey.

Presentations were also made describing the Consolidated Strategy and Plan and community needs were discussed at a series of meetings. Those in attendance were requested to complete individual surveys. The meetings were held on the following dates:

- ☐ November 8 - Ann Arbor City Planning Commission
- ☐ November 14 - Bryant Community Council community meeting
- ☐ November 16 - Ann Arbor Housing Commission
- ☐ November 16 - Housing Policy Board
- ☐ November 17 - Downtown Development Authority
- ☐ November 21 - Arrowwood Hills Cooperative community meeting

A Public Hearing on need was held on November 14, 1994 in the Washtenaw County Commission Board Room. The hearing was advertised in the *Ann Arbor News* and was prominently referenced in all of the mailings sent out in October and November. The hearing was also advertised in public service announcements broadcast on the local Community Television Network (CTN). The hearing was broadcast live on November 14 on CTN and rebroadcast several times afterwards. Over thirty individuals attended the public hearing held before members of the CDBG Executive Committee and thirteen individuals spoke about various community needs. Written comments were also submitted on behalf of several non-profit agencies.

A Community Needs Survey was also included in the December *Ann Arbor Observer* insert "For The People" with a deadline of December 12, 1994 for returning the survey.

Nearly ninety (90) surveys were returned to the City and the results were tabulated. Staff used survey results as well as information gathered from a variety of other sources to determine community needs. The other

sources included:

- ☐ input from the November 14, 1994 Public Hearing
- ☐ input from other public meetings
- ☐ the 1994 Needs Assessment completed by the Washtenaw United Way
- ☐ information collected for the 1993 CHAS
- ☐ city-funded non-profit agency programs reports, site visits, and Fall 1993 roundtable discussions
- ☐ Human Services information from Washtenaw County

B. COMMUNITY PRIORITIES and BUDGET CATEGORIES

City staff tabulated the information collected relating to need and established preliminary priorities. City staff then used the needs and priority information to preliminarily identify budget targets for Federal (CDBG and HOME) and local resources (City General Fund). The CDBG Executive Committee met on December 12, 1994 to endorse the priorities and budget categories and the Human Services Task Force met on December 12 and 15 to review and endorse the priorities and budget categories. On December 19, 1994, City Council approved resolution R-586-12-94, setting FY 1995-96 CDBG, HOME and General Fund Priorities and Target Budgets allowing for budget revisions based on actual CDBG and HOME allocations. The resolution also directed the Community Development staff to develop and issue a Request for Proposals for the services and programs identified in the priority listing. The Housing Policy Board, at its meeting on December 21, 1994 also reviewed information relating to community priorities.

C. PROPOSAL PROCESS

In order to obtain information for the Annual Funding Plan component of the Consolidated Strategy and Plan which describes eligible projects and activities to be undertaken with available funds and their relationship to the priority needs, Community Development staff, as directed by City Council, developed a Request for Proposals (RFP) and made it available on January 3, 1995. The notification for the RFP was included in the Schedule distributed in October and November, mailed to perspective bidders on December 29, 1994 and also advertised in the *Ann Arbor News* on December 29 and 30, 1994. A Technical Assistance Meeting for bidders was also held on January 6, 1995 to answer questions about the RFP and provide assistance as necessary.

On January 26, 1995, forty-one (41) proposals were submitted to the City totaling \$2,131,400. Proposals were submitted in the areas of housing, public/human services and economic development. The proposals were reviewed and evaluated by Community Development staff, Community Development Executive Committee members, Housing Policy Board members, Human Services Task Force members and recommendations were made to City Council.

D. PLAN REVIEW AND APPROVAL

Upon completion of the draft PLAN, a notice of availability was published in the *Ann Arbor News* on March 14 and 15, 1995. Copies of the complete draft document, including all forms and tables were placed on reserve at the following locations:

Ann Arbor Public Library - 343 S. Fifth Ave
Office of the City Clerk - Ann Arbor City Hall, 100 N. Fifth Ave
Community Development Department - 220 E. Huron
Ann Arbor Housing Commission - 727 Miller
Bryant Community Center - 3 W. Eden Court
Documents Library - University of Michigan

A thirty (30) day comment period was established for review of the document by the public, starting March 17, 1995 with written comments to be submitted to the Community Development Department by April 17, 1995. During the period, the following dates were established for public meetings and public hearings before the

designated groups:

- March 8 - public meeting, Human Services Task Force
5:00 p.m. Third Floor Conference Room, City Hall 100 N. Fifth Ave
- March 13 - public meeting, Community Development Executive Committee
6:00 p.m. Fourth Floor Conference Room, City Hall 100 N. Fifth Ave
- March 14 - public meeting, City Planning Commission, working session
7:00 p.m. Fourth Floor Conference Room, City Hall 100 N. Fifth Ave
- March 15 - public meeting, Housing Policy Board
12:00 noon First Baptist Church, 512 E. Huron
- March 20 - public hearing, City Council
7:30 p.m. City Hall, 100 N. Fifth Ave
- April 4 - public meeting, City Planning Commission
7:00 p.m. City Hall 100 N. Fifth Ave
- April 10 - public meeting, Community Development Executive Committee
6:00 p.m. Fourth Floor Conference Room, City Hall 100 N. Fifth Ave
- April 26 - working session, City Council
6:00 p.m. City Council Chambers, 100 N. Fifth Ave
- May 1, 1995 - approval, City Council
7:30 p.m. City Council Chambers, 100 N. Fifth Ave

At its meeting on April 4, 1995, the Ann Arbor City Planning Commission endorsed the FY 1995-2000 Consolidated Strategy and Plan. On April 10, 1995, the Executive Committee recommended approval of the Plan and on April 19, 1995, the Housing Policy Board also approved the document.

Upon completion of the public comment period on April 17, 1995, all comments were summarized and the final version was submitted to the Mayor and City Council for approval at its May 1, 1995 meeting. The final document was submitted to the U.S. Department of Housing and Urban Development on May 15, 1995.

SECTION I. HOUSING AND COMMUNITY DEVELOPMENT NEEDS

PART 1

HOUSING NEEDS - CURRENT ESTIMATE/FIVE YEAR PROJECTIONS

One of the major components of the Consolidated Plan is the assessment of housing and community needs. This assessment is to be statistical and analytical information which provides an overall picture of community needs. Included is information on owner and renter households by income status and type of households as well as descriptions of households with specific housing problems. Also included in this section is information on homeless needs, public housing needs, and community development needs, including public improvements needs, public facilities needs, public service needs and economic development activities.

Preserving and expanding the supply of affordable housing is one of the most difficult challenges facing the City of Ann Arbor. The past ten years have been a period of commercial and residential growth within many sectors of the community. Despite efforts by the City and nonprofit organizations to provide housing affordable to very-low income residents, much of this growth has been targeted toward the upper end of the housing market.

The "Priority Needs Summary Table" details the priority needs of extremely low-income, very low-income, low-income and moderate income households according to the 1990 Census data. Of the 41,885 households reported, 36% or 15,082 have housing problems, such as paying more than the HUD defined 30% of income for housing costs, living in overcrowded conditions or living in substandard units. Of the 23,646 renter households, 50% or 11,740 have housing problems, while 18% of the 18,239 owner households or 3,342 have housing problems.

In order to complete the "Priority Needs Summary Table", the following assumptions were made. The priority need level is designated as follows:

H (High) - activities will be funded during the five year period with either Community Development Block Grant (CDBG), General Fund Human Services funding (GF), HOME Investment Partnerships funds (HOME) or Shelter Plus Care Funding (SPC) approved in October, 1994.

M (Medium) - If funds are available from other sources, activities may be funded during the five year period.

L (Low) - Although there is a need, the City will not fund this activity during the period because of a lack of resources. However, the City will provide certification of consistency for applications for Federal assistance.

N (No such need) - There is no need or the need is substantially addressed. No certifications will be considered.

Information in the Priority Housing Needs Section for the columns identified as "Estimated Units" was tabulated from the 1990 Census and is detailed in the text of the document. Amounts in the column "Estimated Dollars Needed to Address" is derived from several sources. Program areas such as Housing Needs, Homeless Needs and Public Services Needs, where either CDBG, HOME, or Shelter Plus Care (SPC) funding is expected to be expended over the five year period have been designated with an "H" or High priority need. Dollar amounts for "M" Medium and "L" Low activities included under Public Facility Needs, Infrastructure Improvements and Other Community Development Needs are estimated using the City of Ann Arbor's 1994-2000 Capital Improvements Program document and other studies or reports.

It should be noted that CDBG resources for programs/projects are estimated to be \$5,045,000 and HOME resources to be \$2,270,000 over the next five years. SPC rental subsidies are estimated to be \$2,244,000 over the five year period.

A. EXPLANATION OF DOLLARS NEEDED TO ADDRESS NEEDS

HOUSING NEEDS

Renter - cost burden > 30%

Using amount awarded from the Shelter Plus Care Program over the next five years, approximately \$2,244,000 will be expended for rental subsidies for homeless individuals and small families. This total is divided between renter cost burden categories.

Renter - cost burden > 50%

Using amount awarded from the Shelter Plus Care Program over the next five years, approximately \$2,244,000 will be expended for rental subsidies for homeless individuals and small families. This total is divided between renter cost burden categories.

Renter - substandard (needing rehab)

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$142,000 amount was multiplied by 5 to determine the five year total for this need. This total is divided between renter small family (80%) and renter large family (20%) category based on estimates of past program performance.

Renter - overcrowded

While dollar amounts identified under cost burden may also be used to remedy overcrowded conditions, the amount identified represents other funds which may be used for additions to existing structures or new construction.

Renter Elderly - cost burden > 30%

Dollar amounts represent other funds used to reduce housing costs.

Renter Elderly - cost burden > 50%

Dollar amounts represent other funds used to reduce housing costs.

Owner - cost burden > 30%

The amount identified could be used to reduce the cost of homeownership. Other state or federal programs may be used for these efforts.

Owner - cost burden > 50%

The amount identified could be used to reduce the cost of homeownership. Other state or federal programs may be used for these efforts.

Owner - substandard (needing rehab)

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$362,000 amount was multiplied by 5 to determine the five year total for this need. This total includes both elderly owner and non-elderly owners.

Owner - overcrowded

While dollar amounts identified under substandard may also be used to remedy overcrowded conditions, the amount identified represents other funds which may be used for additions to existing structures or new construction.

HOMELESS NEEDS

Outreach Assessment

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$281,000 amount was multiplied by 5 to determine the five year total for this need. Based on the percentage of target agency budgets allocated to various programs, 39% of the total is allocated to Outreach Assessment.

Emergency Shelters

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$281,000 amount was multiplied by 5 to determine the five year total for this need. Based on the percentage of target agency budgets allocated to various programs, 56% of the total is allocated for emergency shelters.

Transitional Shelters

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$281,000 amount was multiplied by 5 to determine the five year total for this need. Based on the percentage of target agency budgets allocated to various programs, 5% of the total is allocated for transitional housing. Additionally, \$40,000 is allocated from CDBG funds for a substance abuse transitional housing facility/public facility.

Permanent Supportive Housing

This amount reflects \$1,366,000 of HUD funds awarded to SOS Crisis Center to provide supportive housing services for homeless families. Approximately 75% of the total will benefit Ann Arbor households.

Permanent Housing

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$532,000 amount was multiplied by 5 to determine the five year total for this need. This amount is reflects both CDBG and HOME Program funds.

PUBLIC FACILITIES

Senior Centers

A 1990 study was completed which identified the need for a Senior Center to be constructed in the City to coordinate senior agencies and the provision of services. \$4 million was identified as the amount needed to develop this facility, however, a 1991 ballot proposal for millage funds was defeated. Future funding would be from private sources.

Youth Centers

Pinelake Village Cooperative has proposed construction of the "Co-opportunity Center" as a youth center. Funding is proposed from CDBG, a MSHDA grant, donations and other private sources.

Neighborhood Facilities

Alterations in the amount of approximately \$125,000 are proposed for the Ann Arbor Community Center with funds coming from a capital campaign.

Child Care Centers

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

Parks and Recreation Facilities

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the projects include: Argo (\$200,000 - State Grant), Bandemer (\$200,000 - State Grant), Broadway/Riverside Park (\$150,000 - State Grant), Furstenburg Park (\$40,000 - Private donation), Gallup Park (\$200,000 - State Grant, \$75,000 - federal Grant, \$24,000 - private donation), Leslie Golf Course (\$1,700,000 - Revenue Bond), Leslie Park (\$15,000 - private donation), Leslie Science Center (\$202,000 - foundation), North Main Development (\$100,000 - federal grant, \$81,000 - rental income), Southeast Area Park (\$100,000 - State grant)

Health Facilities

Packard Community Clinic is undertaking a \$200,000 project to expand its facility. Funding will come from private sources.

Parking Facilities

As outlined in City Engineering department memo of December, 1994, based on Walker Parking Consultant Reports of 1990, 1992 and the Tracy Engineering Report of 1993, \$9,035,000 is the amount funds needed to make repairs to the five existing downtown parking structures.

Other Public Facilities

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

INFRASTRUCTURE IMPROVEMENTS

Solid Waste Disposal Improvements

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the groundwater remedial system around the landfill (\$4,000,000) and the Material Recovery Facility and Transfer Station (\$38,000) are proposed during the period. The funding source is the 1990 Environmental Bond.

Flood Drain Improvements

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the Evergreen Subdivision storm sewer (\$542,000), the Pepper Pike storm water outlet (\$100,000), and the Depot Street storm sewer (\$500,000) are proposed during the period. The funding source is Storm Sewer System Revenue Bond and Special Assessment.

Water Improvements

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the projects include: Platt Road Watermain Replacement (\$90,000 -Water Revenue Bond), Steel Transmission Main Replacement (\$550,000 - Water Revenue Bond), South Main Street Water Main (\$940,000 - Water

Revenue Bond), Van Dusen Subdivision Water Main Replacement (\$440,000 - Water Revenue Bond), Jackson Road Water Main (\$500,000 - Water Revenue Bond), Glazier Way Water Main (\$600,000 - Water Revenue Bond, Special Assessment), Water Treatment Plant Improvements (\$10,877,000 - Water Revenue Bonds), other projects (\$18,897 - Water Revenue Bond, Special Assessment)

Street Improvements

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the projects include: Fuller/Oakway Realignment (\$670,000 - Millage), Resurfacing of Fuller (\$350,000 - Millage, \$350,000 UM), Main Street (\$371,000 - Millage, \$764,000 - federal grant), Green Road (\$800,000 - Millage), State Street (\$990,000 - Millage, \$1,000,000 UM), North Maple (\$590,000 - Millage), Dhu Varren (\$700,000 - private funds), Buffalo Street Parking lot (\$200,000 - Parking System Fund), other projects

Sidewalk Improvements

As defined in the City of Ann Arbor's FY 1994-95 General Fund Budget, \$200,000 is identified for sidewalk improvements. The projected amount is a result of multiplying the annual amount by 5.

Sewer Improvements

As defined in the City of Ann Arbor's 1994-2000 Capital Improvements Program, the projects include: Signor Pond project (\$90,000 - Sewer Revenue Bond), East University (\$100,000 - Sewer Revenue Bond), Wastewater Treatment Plant Improvements (\$9,600,000 - Sewer Revenue Bond), other projects (\$5,076,000 - Sewer Revenue Bond)

Asbestos Removal

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

Other Infrastructure

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

PUBLIC SERVICES

Senior Services

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$90,000 amount was multiplied by 5 to determine the five year total for this need.

Handicapped Services

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$49,000 amount was multiplied by 5 to determine the five year total for this need.

Youth Services

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$230,000 amount was multiplied by 5 to determine the five year total for this need.

Transportation Services

Since these services are provided by Ann Arbor Transportation Authority (AATA), this is the estimated amount of funds used to support the priority needs activities by low income residents.

Substance Abuse Services

Since these services are primarily provided by Washtenaw County, the 1994 amount of State of Michigan funds (COBO Funds) which will be allocated to local agencies for prevention services for low income residents is \$230,000. Over 5 years this total would be \$1,150,000.

Employment Training

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$108,000 amount was multiplied by 5 to determine the five year total for this need.

Crime Awareness

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$25,000 amount was multiplied by 5 to determine the five year total for this need.

Fair Housing Counseling

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$5,000 amount was multiplied by 5 to determine the five year total for this need. This amount was included under the Homeless Outreach/emergency Shelter category.

Tenant/Landlord Counseling

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the

\$5,000 amount was multiplied by 5 to determine the five year total for this need. This amount was included under the Homeless Outreach/emergency Shelter category.

Child Care Services

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$148,000 amount was multiplied by 5 to determine the five year total for this need.

Health Services

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$75,000 amount was multiplied by 5 to determine the five year total for this need.

Other Public Services (Emergency Food)

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$68,000 amount was multiplied by 5 to determine the five year total for this need.

ACCESSIBILITY

Based on preliminary information from the Americans With Disabilities Act Transition Plan (ADA) an estimated \$100,000 is needed to make physical changes to city buildings, transportation facilities including street curb cuts and park facilities to make them accessible to persons with disabilities. The funding sources are proposed as General Funds, Parking System funds, DDA funds and Parks Millage Funds.

HISTORIC PRESERVATION

Residential Historic Preservation

Using information from the Historic Preservation Coordinator, an estimated \$100,000 is needed over a five year period. These would be private funds.

Non-Residential Historic Preservation

Using information from the Historic Preservation Coordinator, an estimated \$50,000 is needed over a five year period. These would be private funds.

ECONOMIC DEVELOPMENT

Commercial-Industrial Rehabilitation

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

Commercial-Industrial Infrastructure

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

Other Commercial Industrial Improvements

No such need identified.

Micro - Businesses

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, a portion of the \$40,000 amount was multiplied by 5 to determine the five year total for this need.

Other - Businesses

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, a portion of the \$40,000 amount was multiplied by 5 to determine the five year total for this need.

Technical Assistance

Using the FY 1995/96 target budget amounts approved by City Council in December, 1994, the \$40,000 amount was multiplied by 5 to determine the five year total for this need.

Other Economic Development Needs

Although no specific funding or proposals are known at this time in this area, a minimum amount was identified to reflect a low community need.

OTHER COMMUNITY DEVELOPMENT NEEDS

Energy Efficiency Improvements

Energy Improvements are included within the scope of most rehabilitation projects where budgets are available. CD Funds included with owner and renter rehabilitation amounts. Indicated amounts from private sources.

Lead-Based Paint/Hazards

Lead-based paint hazards provisions are included within the scope of rehabilitation projects where problems are identified and budgets are available. Funds included with owner and renter rehabilitation amounts. Indicated amounts from private sources.

Code Enforcement

The Housing Division of the City's Building Department maintains a code enforcement programs and inspects rental properties every 30 months for housing code violations. Funds for this programs are provided within the City General Fund.

PLANNING

The City Planning Department provides oversight and planning relating to new and existing developments, zoning, site plans and master plan review within the community. Funds for these efforts are provided within the City General Fund.

While federal funding for housing assistance programs has been declining, the need for those programs and related services has been increasing in Ann Arbor. Indicators of increasing need include the high demand for public housing and for rental assistance. Waiting lists at cooperative housing complexes with affordable monthly fees range from six months to as long as five years. Waiting lists at subsidized senior apartment complexes range from six months to ten years. The median monthly rent for a three - bedroom apartment has increased by 100% in the past ten years. As Washtenaw County's economy, and that of Ann Arbor in particular, becomes more service-oriented, housing affordability for lower-income families and individuals continues to increase as a serious problem.

There are expectations that while rental rates for apartments and sale prices for homes will continue to increase at approximately the same rate as in the past five to seven years, Ann Arbor will continue to have lower than average unemployment rates in comparison with other Michigan communities, and will continue to attract a small number of new residents. Earlier predictions of expanding job growth in the area have been modified due to the closing of the Willow Run automobile plant by General Motors Corporation as well as staffing reductions in "high-tech" research facilities, health facilities and other employment sectors. Growth is expected to occur in service and non-manufacturing segments of the economy where wage levels have traditionally been lower implying that the affordability gap which exists in the City will continue to be a problem. While there has been a higher rental vacancy rate within the city due to construction of new rental units over the last several years, it is not expected to have a significant effect on the overall price of rental housing in the long run.

It is expected that the demand for affordable housing for seniors will continue to increase at a rate comparable with the increase of this population in Ann Arbor. The demand for larger-sized affordable rental units is also expected to continue to increase, as the number of single-parent families in rental housing increases. It is also projected that the demand for smaller-sized units will increase for persons with special needs and the homeless since these population groups are increasing too.

B. EXTREMELY LOW-INCOME (0-30% of Median)

Very low income homeowners are challenged by significant cost burden, as they need to maintain their homes at generally acceptable living standards, while continuing to pay property taxes and prevent mortgage foreclosures. With property taxes, medical care, home maintenance and repairs increasing at a rate greater than the fixed incomes that many of these homeowners have, this population is vulnerable and often forced to make difficult choices with their financial resources. Because of the higher stability that homeownership offers, there is a high community need to offer homeownership opportunities to extremely low-income residents.

Very low income renters have a significant cost burden also. The U.S. Department of Housing and Urban Development established Ann Arbor's median family income as \$53,900 for 1994, and Fair Market Rent of \$658 for a two-bedroom unit. To meet established affordability guidelines of spending no more than 30% of income on gross housing costs, a family would have to have a minimum gross monthly income of \$2,193, or \$26,320 per year. At a wage of \$6 per hour, a full time worker would earn \$240 per week. Annual gross income would be \$12,480. This suggests an affordability gap of \$13,840 for a one-worker family of four renting a two-bedroom apartment. HUD fair market rent guidelines demonstrate that local housing is very expensive for low income renters.

There is an increase in demand for affordable housing that is attributed in part to the increasing number of households made up of single female-headed families who are burdened by continued decreases in state and

federal public assistance. From the increase in single-headed households, additional strain is placed on the supply of affordable rental units for large families with income constraints. Further, the affordability gap in Ann Arbor is widening.

There is a need for additional rent subsidies for very low income households. This need continues to be substantiated when the Ann Arbor Housing Commission has opened its Section 8 Rental Subsidy waiting list for and receives many hundreds of applications for rental assistance over the number available to distribute. Initial evaluation of the applications for assistance indicates that approximately 90% of the applicants qualified for assistance on the basis of Federal standards.

There are often move-in constraints for very low income families and individuals who are able to locate adequate affordable housing. Although the City previously funded a program to provide move-in assistance and security deposits for lower income individuals, competing demands for diminishing resources caused the program to be eliminated. There are few options among the City's service providers for security deposits and first month's rent. The American Red Cross uses a portion of its Federal Emergency Management Act grant for security deposit assistance and first month's rent, but demand is usually so high that the allocation is exhausted within a few months. Washtenaw County's Multi-Service Center can provide approximately \$50 for move-in expenses, but with required security deposits at one and a half months rent this well-intentioned program is largely ineffective for Ann Arbor residents.

Very low-income residents are often excluded from homeownership opportunities by an expensive housing market. The 1993 average selling price of a home listed with the Ann Arbor Area Board of Realtors was over \$130,000 with very few homes selling for less than \$50,000. It is nearly impossible for this population to save enough money for a down payment on a home while meeting daily needs. Those earning 50% of median income and less are beset by myriad life issues, and they make up the vast majority of the homeless population.

African-Americans account for 8.3%, or 3,469, of total Ann Arbor households, and 42% of those are very low income, compared to 28% for the general population. As African-Americans are disproportionately represented in the very low income category, there is an ongoing need to continue to direct housing programs to low and very low-income minority households and to encourage existing African-American households to retain their homes through a variety of targeted programs.

Over the next five years there will be a limited increase in housing opportunities for very low income individuals, particularly for senior citizens, female-headed household families, the general homeless population, homeless substance abusers and mental health consumers. Local nonprofit housing developers are providing a limited number of affordable housing opportunities, but the need for affordable housing far exceeds the current abilities of these organizations to develop enough affordable units.

According to the 1990 Census, 15.8% or 6,592 of all Ann Arbor households have incomes <30% of median family income. Of these 6,592 households, 626 are owners and 5,966 are renters.

Of the 18,239 owner households, 1,753 are minority-headed households and 9.3% or 163 of the minority-headed households have incomes < 30% of median; 935 are Black, non-Hispanic households and 10.8% or 100 of the Black, non-Hispanic households have incomes < 30% of median; 168 are Hispanic households and 4.8% or 8 of the Hispanic households have incomes < 30% of median.

Of the 626 owner households with incomes < 30% of median, 84% or 526 have housing problems. While 18.3% of all owner households have housing problems, 84% of owner households with incomes < 30% of median have housing problems. While 29% of all minority-headed owner households have housing problems, 82% of the households with incomes < 30% of median income have housing problems. While 25% of the Black, non-Hispanic owner households have housing problems, 100% of the Black, non-Hispanic households with incomes < 30% of median income have housing problems.

Of the 626 owner households with incomes < 30% of median, 355 are elderly owners and 86% of them or 305

have housing problems; 86% or 305 have a cost burden of paying more than 30% of their income for housing (cost burden >30%); 54% or 190 have a cost burden of paying more than 50% of income for housing (cost burden > 50%); 1.9% or 7 are overcrowded; and 100 live in substandard units.

Of the 626 owner households with incomes < 30% of median, 271 are other owners (non-elderly owners) and 82% of them or 221 have housing problems; 82% or 221 have a cost burden > 30%; 63% or 171 have a cost burden > 50%; 4.4% or 12 are overcrowded; and 100 live in substandard units.

Of the 23,646 renter households, 5,181 are minority-headed households and 35.9% or 1860 of the minority-headed households have incomes < 30% of median; 2473 are Black non-Hispanic households and 34.5% or 853 of the Black non-Hispanic households have incomes < 30% of median; 582 are Hispanic households and 23.7% or 140 of the Hispanic households have incomes < 30% of median.

Of the 5,966 renter households with incomes < 30% of median, 85% or 5,067 have housing problems. While 49.6% of all renter households have housing problems, 84.9% of renter households with incomes < 30% of median have housing problems. While 55.8% of minority-headed renter households have housing problems, 82% of the renter households with incomes < 30% of median income have housing problems. While 51.8 % of the Black non-Hispanic renter households have housing problems, 81.6 of the Black non-Hispanic renter households with incomes < 30% of median income have housing problems. While 56.7 % of the Hispanic renter households have housing problems, 91.3 of the Hispanic renter households with incomes < 30% of median income have housing problems.

Of the 5,966 renter households with incomes < 30% of median, 715 are elderly 1 & 2 member households and 61% of them or 439 have housing problems; 61% or 439 have a cost burden > 30%; 44% or 312 have a cost burden > 50%; 5% or 36 are overcrowded; and 36 live in substandard units.

Of the 5,966 renter households with incomes < 30% of median, 1309 are small related households and 89% of them or 1,165 have housing problems; 86% or 1,131 have a cost burden > 30%; 72% or 943 have a cost burden > 50%; 5% or 65 are overcrowded; and 65 live in substandard units.

Of the 5,966 renter households with incomes < 30% of median, 119 are large related households and 91% of them or 108 have housing problems; 79% or 94 have a cost burden > 30%; 52% or 62 have a cost burden > 50%; 73% or 87 are overcrowded; and 6 live in substandard units.

Of the 5,966 renter households with incomes < 30% of median, 3,826 are other households and 88% of them or 3,355 have housing problems; 87% or 3,325 have a cost burden > 30%; 82% or 3,153 have a cost burden > 50%; 5% or 191 are overcrowded; and 191 live in substandard units.

C. VERY LOW INCOME (31 - 50% of Median)

According to the 1990 Census, 12.7% or 5,328 of all Ann Arbor households have incomes between 31 to 50% of median family income. Of these 5,328 households, 901 are owners and 4,427 are renters.

Of the 18,239 owner households, 1,753 are minority-headed households and 9.4% or 165 of the minority-headed households have incomes between 31 to 50% of median; 935 are Black non-Hispanic households and 8.1% or 75 of the Black non-Hispanic households have incomes between 31 to 50% of median; 168 are Hispanic households and 9.5% or 16 of the Hispanic households have incomes between 31 to 50% of median.

Of the 901 owner households with incomes between 31 to 50% of median, 53% or 478 have housing problems. While 18.3% of all owner households have housing problems, 53.1% of owner households with incomes between 31 to 50% of median have housing problems further indicating the correlation between income and housing problems. While 29% of minority-headed owner households have housing problems, 50.6% of the households with incomes between 31 to 50% of median income have housing problems. While 25% of the Black non-Hispanic owner households have housing problems, 30.3% of the Black non-Hispanic households with incomes between 31 to 50% of median income have housing problems. While 27% of the Hispanic owner households have housing problems, 37.5% of the Hispanic households with incomes between 31 to 50% of median income have housing problems.

Of the 901 owner households with incomes between 31 to 50% of median, 517 are elderly owners and 41% of them or 212 have housing problems; 41% or 212 have a cost burden > 30%; 11% or 59 have a cost burden > 50%; .7% or 4 are overcrowded; and 26 live in substandard units.

Of the 901 owner households with incomes between 31 to 50% of median, 384 are other owners and 69% of them or 266 have housing problems; 69% or 266 have a cost burden > 30%; 33% or 128 have a cost burden > 50%; .7% or 3 are overcrowded; and 19 live in substandard units.

Of the 23,646 renter households, 5,181 are minority-headed households and 18.5% or 958 of the minority-headed households have incomes between 31 to 50% of median; 2473 are Black non-Hispanic households and 16.6% or 410 of the Black non-Hispanic households have incomes between 31 to 50% of median; 582 are Hispanic households and 24.9% or 145 of the Hispanic households have incomes between 31 to 50% of median.

Of the 4,427 renter households with incomes between 31 to 50% of median, 84% or 3,719 have housing problems. While 49.6% of all renter households have housing problems, 84% of renter households with incomes between 31 to 50% of median have housing problems. While 55.8% of minority-headed renter households have housing problems, 83% of the renter households with incomes between 31 to 50% of median income have housing problems. While 51.8 % of the Black non-Hispanic renter households have housing problems, 68.8% of the Black non-Hispanic renter households with incomes between 31 to 50% of median income have housing problems. While 56.7 % of the Hispanic renter households have housing problems, 100% of the Hispanic renter households with incomes between 31 to 50% of median income have housing problems.

Of the 4,427 renter households with incomes between 31 to 50% of median, 464 are elderly 1 & 2 member households and 66% of them or 308 have housing problems; 66% or 308 have a cost burden > 30%; 25% or 115 have a cost burden > 50%; 5% or 23 are overcrowded; and 23 live in substandard units.

Of the 4,427 renter households with incomes between 31 to 50% of median income, 1,039 are small related households and 70% of them or 725 have housing problems; 67% or 691 have a cost burden > 30%; 16% or 168 have a cost burden > 50%; 5% or 52 are overcrowded; and 52 live in substandard units.

Of the 4,427 renter households with incomes between 31 to 50% of median, 68 are large related households and 69% of them or 47 have housing problems; 44% or 30 have a cost burden > 30%; 0 have a cost burden > 50%; 38% or 26 are overcrowded; and 3 live in substandard units.

Of the 4,427 renter households with incomes between 31 to 50% of median, 2,856 are other households and 92% of them or 2,639 have housing problems; 92% or 2,614 have a cost burden > 30%; 51% or 1,449 have a cost burden > 50%; 5% or 143 are overcrowded; and 143 live in substandard units.

D. OTHER LOW INCOME (51 to 80% of Median)

The income of a family of four whose income is 65% of median in 1994 was \$35,035. Using 30% of this amount equated to a monthly amount (the percentage used by HUD to determine affordable housing costs) would be \$875. Fair market rent for a three bedroom apartment is \$862 in Ann Arbor. Therefore, low income households with incomes less than 65% of median also facing a cost burden in relation to their housing needs.

The indisputable factor limiting housing opportunities for this population is the high cost of housing in Ann Arbor. Housing in the \$60,000-\$80,000 range is difficult to locate, and housing in the under \$60,000 range is nearly non-existent. In March and August of 1993, Community Development staff reviewed information on the Ann Arbor housing market with a real estate agent. On both occasions there were approximately 65 houses for under \$100,000, with the vast majority ranging from \$85,000 to \$95,000. It is difficult for many lower-income families and individuals to access traditional mortgages and qualify for financing.

Mortgage fees and insurance requirements along with high property taxes further increase the costs of home

ownership. A recent study published by the Fair Housing Center of Washtenaw suggests that race may be a factor in determining successful mortgage applications. Some additional inflationary pressure is put on the rental market by demand for rental housing by families and individuals who are priced out of the ownership market.

Many low income homeowners in the City are experiencing difficulty in maintaining their homes. As the cost of medical care and taxes increase at a rate greater than most fixed incomes, low income people are having trouble paying for basic needs. Many are threatened with tax or mortgage foreclosure and are suffering great hardships to keep their homes. This problem may be more severe in the elderly population, 70% of whom own their own homes. Though Ann Arbor has a foreclosure prevention program and a small fund to stop tax or mortgage foreclosures, the City's efforts are insufficient to solve this significant problem. Low income homeowners who are experiencing difficulty meeting increased costs need information and access to low cost credit for home repairs and debt consolidation.

Cooperative housing has proven to be one of the most affordable housing options for low-income families and individuals. Monthly rents average \$292 for a two-bedroom unit. However, the move-in costs for the established cooperatives in Ann Arbor are prohibitively high to most income-eligible families: approximately \$1,490 for a 2-bedroom unit. Waiting lists for cooperatives can range from three to five years. Once in a cooperative families who experience an increase in their incomes are more likely to pay a surcharged rent rather than move to other housing if their income rises above standards established by the cooperative. Therefore, over-income individuals are occupying subsidized housing units that could be occupied by very low or low-income citizens.

One local cooperative reported in 1993 that 42.5% of its residents had incomes higher than the HUD standard for occupancy. While monthly rental rates are among the most affordable in the city, cooperative living in Ann Arbor is nearly inaccessible to very low-income families because of long waiting lists, infrequent vacating by over-income residents and prohibitively expensive membership fees.

According to the 1990 Census, 13.4% or 5,596 of all Ann Arbor households have incomes between 51 to 80% of median family income. Of these 5,596 households, 1,613 are owners and 3,983 are renters.

Of the 18,239 owner households, 1,753 are minority-headed households and 10.8% or 189 of the minority-headed households have incomes between 51 to 80% of median; 935 are Black non-Hispanic households and 13% or 121 of the Black non-Hispanic households have incomes between 51 to 80% of median; 168 are Hispanic households and 16.7% or 28 of the Hispanic households have incomes between 51 to 80% of median.

Of the 1,613 owner households with incomes between 51 to 80% of median, 40% or 650 have housing problems. While 18.3% of all owner households have housing problems, 40.3% of owner households with incomes between 51 to 80% of median have housing problems. While 29% of minority-headed owner households have housing problems, 35.3% of the households with incomes between 51 to 80% of median income have housing problems. While 25% of the Black non-Hispanic owner households have housing problems, 20.5% of the Black non-Hispanic households with incomes between 51 to 80% of median income have housing problems. While 27% of the Hispanic owner households have housing problems, 50% of the Hispanic households with incomes between 51 to 80% of median income have housing problems.

Of the 1613 owner households with incomes between 51 to 80% of median, 532 are elderly owners and 10% of them or 54 have housing problems; 10% or 54 have a cost burden > 30%; 4% or 20 have a cost burden > 50%; 3.2% or 17 are overcrowded; and 27 live in substandard units.

Of the 1613 owner households with incomes between 51 to 80% of median, 1,081 are other owners and 55% of them or 596 have housing problems; 52% or 566 have a cost burden > 30%; 17% or 183 have a cost burden > 50%; 4.8% or 52 are overcrowded; and 54 live in substandard units.

Of the 23,646 renter households, 5,181 are minority-headed households and 17.2% or 891 of the minority-headed households have incomes between 51 to 80% of median; 2473 are Black non-Hispanic households

and 20.1% or 497 of the Black non-Hispanic households have incomes between 51 to 80% of median; 582 are Hispanic households and 16% or 93 of the Hispanic households have incomes between 51 to 80% of median.

Of the 3,983 renter households with incomes between 51 to 80% of median, 49% or 1,944 have housing problems. While 49.6% of all renter households have housing problems, 49% of renter households with incomes between 51 to 80% of median have housing problems. While 55.8% of minority-headed renter households have housing problems, 46% of the renter households with incomes between 51 to 80% of median income have housing problems. While 51.8 % of the Black non-Hispanic renter households have housing problems, 45.2 of the Black non-Hispanic renter households with incomes between 51 to 80% of median income have housing problems. While 56.7 % of the Hispanic renter households have housing problems, 57% of the Hispanic renter households with incomes between 51 to 80% of median income have housing problems.

Of the 3,983 renter households with incomes between 51 to 80% of median, 251 are elderly 1 & 2 member households and 56% of them or 141 have housing problems; 56% or 141 have a cost burden > 30%; 5% or 12 have a cost burden > 50%; 3.4% or 8 are overcrowded; and 13 live in substandard units.

Of the 3,983 renter households with incomes between 51 to 80% of median income, 1,192 are small related households and 32% of them or 382 have housing problems; 27% or 327 have a cost burden > 30%; 2% or 18 have a cost burden > 50%; 3.4% or 41 are overcrowded; and 60 live in substandard units.

Of the 3,983 renter households with incomes between 51 to 80% of median, 182 are large related households and 27% of them or 50 have housing problems; 15% or 28 have a cost burden > 30%; 0 have a cost burden > 50%; 12% or 22 are overcrowded; and 9 live in substandard units.

Of the 3,983 renter households with incomes between 51 to 80% of median, 2,358 are other households and 58% of them or 1,371 have housing problems; 57% or 1,349 have a cost burden > 30%; 6% or 134 have a cost burden > 50%; 3.4% or 80 are overcrowded; and 118 live in substandard units.

E. MODERATE INCOME (81 to 95% of Median)

The high cost of housing in Ann Arbor is a factor that impacts the ability of those with moderate incomes to obtain or maintain housing also. Moderate income homeowners have difficulty meeting the responsibilities of property taxes, home repairs, medical care, and other basic needs, thereby experiencing a housing cost burden. According to a local nonprofit agency that works with senior citizens, an increasing number of moderate income senior citizens are experiencing difficulty meeting their financial obligations.

Moderate income renters are competing with a large transient student population who are willing to pay ever increasing rents, thereby propelling the cost of rental units upward, and limiting affordable rental opportunities.

According to the 1990 Census, 8% or 3,312 of all Ann Arbor households have incomes between 81 to 95% of median family income. Of these 3,312 households, 1,040 are owners and 2,272 are renters.

Of the 1,040 owner households with incomes between 81 to 95% of median, 32% or 331 have housing problems. While 18.3% of all owner households have housing problems, 32% of owner households with incomes between 81 to 95% of median have housing problems.

Of the 1040 owner households with incomes between 81 to 95% of median, 322 are elderly owners and 9% of them or 28 have housing problems; 9% or 28 have a cost burden > 30%; 2% or 5 have a cost burden > 50%; .9% or 3 are overcrowded; and 16 live in substandard units.

Of the 1040 owner households with incomes between 81 to 95% of median, 718 are other owners and 42% of them or 303 have housing problems; 40% or 289 have a cost burden > 30%; 3% or 21 have a cost burden > 50%; 1.2% or 9 are overcrowded; and 36 live in substandard units.

Of the 2,272 renter households with incomes between 81 to 95% of median, 25% or 567 have housing problems. While 49.6% of all renter households have housing problems, 25% of renter households with incomes between 81 to 95% of median have housing problems.

Of the 2,272 renter households with incomes between 81 to 95% of median, 99 are elderly 1 & 2 member households and 34% of them or 34 have housing problems; 34% or 34 have a cost burden > 30%; 16% or 16 have a cost burden > 50%; 3.4% or 3 are overcrowded; and 5 live in substandard units.

Of the 2,272 renter households with incomes between 81 to 95% of median income, 666 are small related households and 21% of them or 138 have housing problems; 17% or 112 have a cost burden > 30%; 0 have a cost burden > 50%; 3.4% or 23 are overcrowded; and 33 live in substandard units.

Of the 2,272 renter households with incomes between 81 to 95% of median, 31 are large related households and none of them have housing problems; none have a cost burden > 30%; none have a cost burden > 50%.

Of the 2,272 renter households with incomes between 81 to 95% of median, 1,476 are other households and 27% of them or 395 have housing problems; 25% or 366 have a cost burden > 30%; 1% or 18 have a cost burden > 50%; 3.4% or 50 are overcrowded; and 74 live in substandard units.

In addition to the needs hearings required by regulation for the Community Development Block Grant (CDBG) program, there have been many other opportunities for input into the City's "non-housing" community development needs. When the City first began receiving CDBG funds in 1975, a comprehensive citizen input process resulted in CDBG funds being expended in the areas of street improvements, park improvements, sidewalks, neighborhood facilities, flood drain improvements, police and fire needs, code enforcement, historic preservation, and other public improvements. In 1995, a very small amount of CDBG funds is being expended in these areas because the City has allocated other resources to satisfy these needs or the community has approved local millages to fund projects identified in various approved plans. Two traditional areas where CDBG funds are expended for physical improvements are streets and parks. Since 1982, Ann Arbor voters have approved bond issues or millages to rehabilitate local streets. These funds have replaced CDBG funds which were used to rehabilitate streets in low-income neighborhoods during the late 1970s and early 1980s. In 1988, a five year millage was approved by the Ann Arbor voters for parkland acquisition. In 1989, a six year millage was approved for park rehabilitation and development. In November, 1994, the six year millage was renewed by the voters for maintenance and repair of parks. In 1990, Ann Arbor voters also approved an environmental bond which would fund a Materials Recovery Facility, clean-up at the Ann Arbor Landfill and other improvements.

These millages have been successful with voters because City staff over the years have developed the documents and plans which reflect ongoing community needs, strategies and resources to address them. In 1994, the City, with input from a citizen task force and staff, completed the 1994-2000 Park, Recreation and Open Space Master Plan which describes current parks and parkland within the city and identifies development, redevelopment and other needs for these sites. City staff and the Solid Waste Commission worked throughout 1994 in updating the City's 1988 Solid Waste Management Strategy. Additionally, with assistance from several citizen task forces, Planning staff developed the Central Area Plan, the West Area Plan, the Transportation Plan, and the Capital Improvement Plan. As the components of the City's Master Plan continue to be updated, the community needs and resources and programs will reflect current policy decisions.

PART 2

HOMELESS NEEDS

A. Needs of Sheltered and Unsheltered Homeless

City officials and service providers in the community generally agree that an individual or family is homeless if they are housed in local emergency shelters due to mental illness, chemical dependency, personal crisis, unemployment, shortage of affordable housing or diminished public assistance. Many shelter residents are recently released from the criminal justice system, and hospitals, including the Veterans Hospital. Homelessness is also defined to include situations where an individual or family is without adequate housing and is forced into living at a temporary shelter, with friends or other family members, or is at risk of homelessness through pending eviction or mortgage foreclosure.

Measuring the extent of homelessness in Ann Arbor is difficult. Residency of homeless persons is difficult to determine. Nonprofit service providers house people from Ann Arbor as well as from throughout the county and neighboring counties. Information from service providers, emergency shelter assistance data from the Michigan Department of Social Services, and survey information from Section 8 waiting list for the period of July 1, 1992-June 30, 1993 shows a significant homeless population. Information from these sources indicates that there approximately 1,100 residents who are homeless.

In the Ann Arbor area, Salvation Army's Arbor Haven and SOS Community Crisis Center's Prospect Place provide emergency shelter and support services to homeless families. The Interfaith Hospitality Network (IHN) also provides services for homeless families and placements through rotating congregations for emergency shelter. Since the establishment of the family shelters, demand for the services available has continued to increase. The following statistics include all shelter guests:

	<u>Prospect Place</u> (Direct Shelter)		<u>Arbor Haven</u> (Direct Shelter)	
	# People	# Bednights	# People	# Bednights
1988	187	3,800	399	3,617
1989	173	5,534	285	4,155
1990	122	5,343	197	4,818
1991	141		184	4,814
1992	208		119	5,187
1993	140		117	5,239
1994	150	7,200	129	5,819

Interfaith Hospitality Network

1993	33 families (111 individuals)
1994	38 families (118 individuals)

The Ann Arbor Shelter Association provides emergency shelter and support services to homeless individuals as well as coordinating with a group of Ann Arbor churches, on a rotating basis to provide 25 bed nightly during the months from October to May. Over 50% of guests are Ann Arbor residents. The services are reflected below:

	<u>Ann Arbor Shelter Association</u> (Direct Shelter)	
	# People Sheltered	# Bednights
1986	867	Data Not Available
1987	747	19,800
1988	908	21,628
1989	916	23,219
1990	881	22,000
1991	950	18,500
1992	825	22,560
1993	900	21,640
1994	998	26,772

The "Homeless Populations and Subpopulations" Table provides information on homeless population and subpopulations. Numbers for sheltered and unsheltered homeless individuals were developed through data derived from a February 18, 1993 point-in-time survey compiled by the Community Development Department with area shelter providers, 1990 Census Data, and interviews with the directors of area shelters. Aggregate numbers for unsheltered homeless persons were adjusted for duplication within a particular agency and interagency duplication.

A review of the above statistics reflect the trend that the number of homeless individuals and families is increasing and that they are staying longer in emergency shelters. Reasons cited by the shelter director include increases in disability due to substance abuse and related problems of what people do with limited resources, increase in the number of evictions because of non-payment of rent, longer periods of time necessary to rebuild credit in order to be able to move into transitional housing, the lack of transitional and supportive housing as well as permanent affordable housing.

The following methodology was used to determine the figures using information from the FY 1992-93 program year: SOS Crisis Center reported 45 families housed at Prospect Place, their family shelter. This number was added to the 30 families sheltered by the Domestic Violence Project, and the 26 families sheltered by the Salvation Army at Arbor Haven to establish a number of 101 families in homeless shelters. This number was then reduced by one-half to account for Ann Arbor residency and overcounting.

The same sources were used to determine the numbers of unsheltered families in Ann Arbor. After determining the percent of Ann Arbor residents within the total agency contacts and adjusting for internal duplication and duplication with other service providers, SOS Crisis Center reported 216 unsheltered families within a year. The Salvation Army reported 58 unsheltered homeless families per year using similar adjustments for duplication. The resulting total number of unsheltered homeless families is 274. This number was reduced (274 multiplied by 30%) to account for Ann Arbor residency and overcounting. This number is then multiplied by 2.6 (average family size for this population) to establish the number of persons in homeless families.

Neither the Domestic Violence Project nor any other service provider reported any unsheltered families. 1990 Census Data was used to generate numbers regarding homeless youth.

For homeless individuals, the Shelter Association of Washtenaw reported serving approximately 900 individuals during 1993, 50 to 52% of whom are from Ann Arbor. In 1994 the number of unduplicated individuals rose to 998. Of this number, 40% were new clients and 60% are carry-over individuals or people staying for longer periods of time. Additional information from the director indicated that turn-aways or people banned from the facility and their estimate of the sheltered population who do not receive services, there are an estimated 900 sheltered and 216 unsheltered individuals. The Salvation Army reported 72 individuals sheltered during the year, and 233 turned away. Therefore, available statistics indicate a sheltered homeless population of 972. This number was then reduced (972 multiplied by 65%) to account for Ann Arbor residency and overcounting. The unsheltered population total was 449. This number was then reduced (449 multiplied

by 50%) to account for Ann Arbor residency and overcounting. The total single adult homeless population is estimated to be 856.

Although the Shelter Association reported serving almost 1000 individuals at the Day Shelter, these numbers were not reflected in Table 1 because of duplication. Because the shelter providers in the community provide more than emergency shelter facilities, it was felt that reporting any individuals or families separately under the "Reception/Day Center" column would duplicate the population.

The percentages of homeless persons in the reported sub-populations were derived from information provided in a point-in-time survey conducted by the Community Development Department, interviews with directors, and national statistics. The directors of the shelters reported no known instances of AIDS among the homeless population. However, the HIV/AIDS Resource Center has been collecting case management statistics since September, 1994 and reported of the 55 individuals under case management, 3 individuals were homeless.

There is general agreement among service providers, community advocates, and City officials, which has been bolstered by communications from the U.S. Department of Housing and Urban Development, that the Census data under-counted Ann Arbor's homeless population. It was concluded that service provider's data and survey information is a more accurate reflection of homelessness as it exists in Ann Arbor since the compilation of this data takes into consideration the community's definition of homelessness, and the number of contacts of individuals who could not be directly assisted due to limited capacity of shelters. And while homelessness in Ann Arbor is difficult to quantify, it is possible to determine the level of need in the community by looking at agencies statistics relative to services to various sectors of the population.

A lack of affordable housing is central to homelessness in Ann Arbor. The working homeless tend to be low wage earners in jobs that pay approximately \$5.00 per hour, or \$10,000 annually. Many more are the recipients of Supplemental Security Income, Veterans Disability payments, or unemployment compensation, with annual incomes of about \$5,232, or 14% of the area median. There are very few opportunities for homeless people who have steady incomes to find affordable, permanent housing.

Since there is little vacant land remaining in the city for new affordable housing project developments, the existing housing stock must be used to house the homeless. But rehabilitating existing housing stock to create affordable housing opportunities for the homeless is also expensive. SROs can cost as much as fifteen thousand dollars per unit to rehabilitate, while a two bedroom apartment unit can cost as much as twenty-five thousand dollars to be made habitable. Existing government programs and local funding sources are insufficient to finance needed affordable housing.

B. Subpopulations

Local data has been collected and reported in "[The Frequent Flyers](#)" [Characteristics and Costs of a Subgroup of the Homeless Population](#), a study from the Substance Abuse Center and the Institute for Public Policy Studies of the University of Michigan and supported by grants from the National Institute of Mental Health McKinney Act Research and Demonstration Grant, and Washtenaw County Community Mental Health. Information on Subpopulations is reported below but a composite summary of the report reflects the following statistics: Of the 76 identified "frequent flyers," the average age is almost 39 years; 89% are male, 11% are female; 62% are White, 38% are Black; 84% have alcohol problems, 22% have drug problems, 20% have mental illness, 22% are excluded from Shelter; the projected costs of providing services to "frequent flyers" in 1993 was \$12,100 from Shelter, \$2,800 from Detox Center, \$154,091 from Police Departments and \$687,085 from Medical Service Providers totaling \$856,076.

1. Homeless Severely Mentally Ill

According to national surveys, fully one third of the homeless are suffering some degree of mental illness such as schizophrenia, schizo-affective disorders, and mood disorders. Important local data has been obtained

from three years of a National Institute of Mental Health McKinney Act Research and Demonstration Grant, for which Washtenaw County was one of the demonstration sites. Estimates from this "Homeless Project" over the three year period consistently showed between 250 and 332 validated or suspected mentally ill people among the shelter population. In a point in time survey of Ann Arbor shelters on February 18, 1993, the Ann Arbor Shelter reported that 40% of its clients had some degree of mental illness.

In the view of some, one factor resulting in a high number of homeless mentally ill across the nation is the movement towards deinstitutionalization of mentally ill patients. Though deinstitutionalization is much talked about, there is no one reliable source of data to determine to what extent this practice has contributed to the numbers of the homeless population. Local service providers indicate the real issue is not deinstitutionalization, per se, but the fact that financial resources to provide supportive, community-based services did not follow patients from institutions to the community. Mentally ill persons who are most vulnerable to homelessness need individualized, intensive and sustained services that address not only the symptoms of mental illness, but a range of other psychosocial needs, such as primary healthcare, vocational training and substance abuse treatment. The mentally ill who are not fortunate to receive these supportive services are at-risk of having their lives on the streets that are broken up with periods in overnight shelters, jail, hospital emergency rooms, and days spent in public buildings.

Service providers have reported an increase in service levels to the homeless over each of the past six years. When this is measured with the relatively constant proportion of individuals who are mentally ill in the general population, the assumption is that the need for services for homeless individuals who are mentally ill will continue to increase.

The needs for the homeless severely mentally ill (SMI) are many, and information provided to Community Development through interviews with the emergency shelter directors is instructive. One director felt that homeless people with mental illness were not getting all of the benefits that are available to them, as they have difficulty filling out forms and dealing with local, state, and government agencies. Accessing available programs is seen as adding to the impoverishment of this population. Homeless SMIs need ongoing support to help them succeed with myriad life situations, such as money management, scheduling and attending appointments with health care providers and agencies such as the Department of Social Services, Veterans' Administration, and the Department of Social Security. There is also need for shelter medical staff so people who are suffering an illness or experiencing difficult episodic symptoms are not forced to go without medical care after spending a night in an emergency shelter.

Homeless SMIs need supportive care in an affordable housing situation. As with all segments of the homeless population, affordable permanent housing is an inescapable component of any plan to lend effective assistance to the homeless mentally ill. However, providing affordable housing opportunities alone will not be sufficient to insure stable living situations, as the homeless mentally ill need someone to monitor their physical and medical needs.

2. Homeless Substance Abusers

In 1991, the U.S. Conference of Mayors reported that 38% of homeless people abuse alcohol and/or drugs. In 1992, data from the Shelter Association of Washtenaw showed one hundred and ninety-six of the eight hundred twenty-five Shelter clients, or approximately 25%, self-reported some problem with chemical dependency. It is generally assumed that self-reporting of substance abuse tends to be lower than the true number of incidence. The staff of the Shelter Association reports that approximately 50% of its general homeless population has a substance abuse problem. As with the homeless severely mentally ill, homeless substance abusers have special needs that are not met in the traditional shelter setting. Intoxicated emergency shelter guests are generally asked to leave, and frequently end up in hospital emergency rooms taxing emergency medical resources. Also, with the decriminalization of intoxication, the inebriated can no longer "dry out" in jail. In an interview on the needs of the homeless in Ann Arbor, a program director from the Salvation Army of Washtenaw County, who works with homeless people with substance abuse problems, stated "Homelessness is a symptom of substance abuse, not the main problem."

The needs of the homeless with substance abuse issues are different from those of the general homeless population, as they must learn to manage their substance abuse before they develop the living skills that can lead to independent living. Homeless substance abusers need rehabilitation services in a safe and structured environment that provides therapy to enable them to perceive the broader causes of substance abuse and understand addictive behavioral patterns. Homeless people with substance abuse problems also need a warm, dry, and safe place where they can detoxify. Detoxification is a medical problem and should be supervised by medical personnel. After detoxification many homeless substance abusers need affordable transitional housing which is not available. Post-treatment support services are also needed to maintain sobriety and stability.

3. Homeless Severely Mentally Ill With Substance Abuse Problems (Dually-Diagnosed)

According to information from Washtenaw County Community Mental Health, approximately half of the homeless severely mentally ill also have substance abuse problems, which include alcohol, street drugs, over-the-counter-medicines, and prescription drugs. In an interview, staff from the Salvation Army of Washtenaw County stated that 75% of the homeless people with mental illness also have a substance abuse problem. Staff from the Shelter Association of Washtenaw identified this population as being overwhelmingly represented on the list of people banned from the shelter for assaulting others on the premises, adding that these individuals are also too vulnerable and disruptive for public housing. In adverse weather they frequently are taken to hospital emergency rooms. Substance abuse by the homeless mentally ill compound the daily difficulties of this population. Such dually diagnosed homeless people need a secure living situation and other supportive services.

4. Domestic Violence

Domestic violence is frequently a cause of homelessness among women and children. According to the Handbook Of Family Violence, domestic violence is the number one health problem facing U.S. women, and it is also the single greatest cause of injury. If victims of domestic violence choose to flee their homes to escape their attacker they frequently leave behind their possessions, support of family, friends, and neighbors, and access to their funds. Often women have to choose between leaving their children in an abusive setting or taking them into an uncertain living situation. According to information disclosed at round table discussions with local service providers in November, 1993, a disturbing increase in battering among pregnant teens by their partners is occurring. If this is a trend, it will have long-term social and housing-related consequences.

The Domestic Violence Project reported that 280 women and their 300 children were sheltered locally in 1992. Figures from 1994 reflect 279 women and 303 children were sheltered representing 8924 resident nights. Of the total, 178 battered women were from Ann Arbor. Statistics from 1994 also showed that a greater percentage of battered women who stayed at the shelter had mental illness or substance abuse problems. In a recent survey, 21% of the Domestic Violence Project's clients were substance abusers. The 1994 statistics have also shown that there are fewer children, the primary reason is because 25% of the women have had their children taken away from them. Domestic Violence Project has also reported an increase in the "on-call" contacts from 400 in 1992, to 500 in 1993, to 681 in 1994. These call reflect the increasing violence against women and the need for both legal advocacy services, transitional housing and permanent housing alternatives.

According to a recent study for the Michigan Interagency Committee on Homelessness, "The State of Homelessness in Michigan," abuse or fear of physical violence, mostly domestic violence, is a primary cause of homelessness. One of every five said violence was the leading cause, followed by eviction, substance abuse, inadequate wages and unemployment. Women and children who suffer from homelessness due to domestic violence need help in finding, and acquiring permanent housing. Victims of domestic violence who are homeless need access to support groups, substance abuse classes, and job training.

5. Homeless Youth

An estimated 1.3 million U.S. teens run away or become homeless each year according to recent testimony

before the U.S. Congress, and the U.S. Department of Labor reports that one in five U.S. children are living in poverty. These sources state that 50% of homeless youth 16 or older have dropped out of school or have been expelled. Most homeless youth are members of a homeless family, usually with a single parent. Homeless youth with and without families need housing and supportive services that include substance abuse treatment, case management services, educational coordination with schools, and psychiatric assessments and treatment. The number of homeless teen mothers will likely increase if Welfare Reform Act cutting off AFDC to unwed teenage mothers is passed.

6. Homeless Families with Children

As in many U.S. cities, there has been an increase in homelessness in the Ann Arbor area among families. Causes of homelessness include inadequate affordable permanent housing, substance abuse, exhausted unemployment benefits, and the inability of extended families to provide ongoing housing support. According to the service providers most active in Ann Arbor in the provision of emergency housing assistance, the most immediate need for a homeless family is safe and secure shelter, including child care provision and adequate food. Once housed on an emergency basis, attention can be directed toward locating more permanent housing. Employment counseling and housing support assistance are two components of services impacting homelessness. The service needs of families also include education about their assistance options, including referral to the Michigan Department of Social Services and the Ann Arbor Housing Commission. Statistics reported from Corner Health Clinic from 1994 reflect that 35% of pregnant patients visiting the Clinic were under the threat of homelessness.

C. Populations with Special Needs

Part 2 of the "Homeless Populations and Subpopulations" Table, provides information on homeless persons with special needs. Service agencies in the community provide various types of housing assistance, but are severely limited by a lack of resources. Neighborhood Senior Services, the Housing Bureau for Seniors, and Washtenaw County Council on Aging (WCCOA) provide direct personal and advisory assistance to seniors with the intention of keeping them in their homes. Avalon Housing, the Shelter Association of Ann Arbor, SOS Community Crisis Center, New Alternatives, and Interfaith Hospitality Network along with the Salvation Army through Arbor Haven, Ozone House, the Domestic Violence Project and several other agencies provide various types of supportive housing services to low and very low-income individuals and families. To better meet the housing needs of the increasing number of low-income households requesting assistance, there is a clear need for greater emphasis on housing counseling, supportive services, and locator services.

While permanent housing is the primary goal, transitional housing has proven to be a useful mechanism for assisting low-income families and individuals to be permanently housed. Ann Arbor's service providers are working jointly and separately to develop transitional housing. Supported transitional housing can provide its recipients with education about long-term living options, and the limited instances where it has been used in Ann Arbor have been successful.

1. Housing Needs of the Elderly

The 1990 Census shows that there are 9,541 persons over the age of 62 living in the City of Ann Arbor, up from 7,788 according to the 1980 Census. The increase in the number of city residents who are senior citizens can be attributed in part to a localized reflection of the national trend of an aging population. The City of Ann Arbor also attracts senior citizens because of the number and quality of its medical facilities, public facilities, the universities and access to transportation.

Of any population group, the proportion of homeownership to rental housing is much higher among the elderly. According to the City of Ann Arbor's 1990 Household Survey, 70% of the elderly households in Ann Arbor own their homes. According to the 1990 Census, there are 3899 elderly homeowners in the city. Of these elderly households, 355 are extremely low-income, 517 are very low-income, and 532 are low-income. For those lower-income senior citizens who are living in their own homes, there is a need to assist them with continued independent living services, as well as provide adequate resources and assistance when they must move to

alternative housing. Many of the elderly who own their homes are living on fixed incomes, and their housing affordability is affected by increasing property values, maintenance, and utility costs. Several local organizations, including the Washtenaw County Council on Aging, Legal Services of Southeastern Michigan, and the Housing Bureau for Seniors provide information and referral programs relating to property tax deferred payment programs and other tax and mortgage foreclosure prevention services. Neighborhood Senior Services provides chore services to ease maintenance costs for lower-income seniors and frail seniors living on fixed incomes. The Housing Bureau for Seniors has also instituted a HomeShare program to match senior citizens in a living arrangement with another individual so that those elderly homeowners are not displaced from their homes for lack of assistance with maintenance. These agencies have reported that demands for these services exceed available resources.

At some point, many elderly citizens become frail and can no longer remain in their own homes because of health problems, the loss of a partner, or for a variety of other reasons. There is increased demand for rental housing among elderly homeowners who are unable to continue to live in their own homes and want to live in either a senior apartment complex or a congregate care facility. There is a need for in-home health care and chore services, and long term health care (nursing homes).

Currently there are over 750 assisted units of rental housing in Ann Arbor available to low-income senior citizens. The waiting lists for public housing and Section 8 indicate that there is a continuing need for additional low-income senior rental housing. The waiting lists for units in the subsidized apartment complexes can range from six months to eighteen months.

2. Housing Needs of Persons With Disabilities

Many persons with mental or physical disabilities need to develop independent living skills in order to become economically self-sufficient. Individuals with disabilities also need safe and affordable housing which is barrier-free and is close to public transportation. Of the 169 elderly public housing units, only sixteen are barrier-free.

Washtenaw County Community Mental Health (WCCMH) is developing a support system to meet the needs of aging families with members who have developmental disabilities. Based on information collected in 1993, the need for outreach to older adults providing support to adults with developmental disabilities was identified as a priority. It was estimated that there is a potential population of 678 persons with developmental disabilities residing with aging parents in Washtenaw County who are not connected to community living supports. Based upon available information, 51% are women and 18% are minority.

Information from 1993 from the Ann Arbor Housing Commission reveals that approximately 21% of its Section 8 certificate or voucher recipients are disabled. Disabled populations now includes substance abusers as well as mentally and physically disabled individuals. Persons severely disabled through substance abuse face particular difficulty retaining long term housing. There is a need for the County and service providers to develop cooperative housing such as the Oxford House model to provide stable supportive housing for this population. According to the Ann Arbor Center for Independent Living (CIL), which provides housing location assistance and independent living skills to physically disabled persons, individuals have a difficult time locating barrier-free units in Ann Arbor. The public housing units which are barrier-free are primarily in senior housing complexes, and the age difference among residents has caused some conflict, according to CIL. Additionally, problems associated with younger substance abusers in senior complexes has also caused conflicts among residents. Avalon Housing has included barrier free units in its William Street building, in its E. Davis Street building and is exploring adding more in future projects.

There is a need for additional affordable barrier-free housing in Ann Arbor. Between 1980 and 1994, approximately 105 units of new multiple-family units have been set aside as barrier-free. However, while compliance with the Fair Housing Act and the Barrier Free Design Act has created units, the additional costs associated with these units has made many of them too expensive for lower-income persons with disabilities. With a lack of affordable housing options, some adults with disabilities are forced to live in inappropriate situations - either with their family, in inadequate housing, or in nursing homes. CIL reported many adults

being housed in nursing homes for extended stays because of lack of other housing options. It would be less expensive to locate barrier free housing that individuals could afford than for MEDICAID to subsidize nursing home beds.

3. Housing Needs of Persons With AIDS

Individuals who are suffering from Acquired Immune Deficiency syndrome (AIDS) are at risk of becoming homeless when their illness forces them to stop working and they are unable to meet rent or house payments. The HIV/AIDS Resource Center, an AIDS advocacy organization, reports that many AIDS sufferers face difficulties in locating affordable housing in the Ann Arbor area, but that (to date) there is little evidence of homelessness among individuals with AIDS. However, as numbers of AIDS sufferers increase, this may become a greater community need. In 1994, there were 184 cases of AIDS reported in Washtenaw County. During this period, the HIV/AIDS Resources Center, the local case management agency for persons with HIV disease, reported receiving referrals for housing assistance from 12 individuals whose housing was in jeopardy (5 were homeless at the time of referral and 7 were living in substandard or temporary housing). Of the 55 individuals under case management since September, 1994, 3 were reported as homeless.

4. Housing Needs of Persons With Substance Abuse

Individuals who suffer from substance abuse often experience difficulties maintaining stable housing and employment in addition to the physical and psychological problems relating to substance abuse itself. Detoxification and post-detoxification services as well as transitional and permanent housing programs, which include in-house substance abuse counseling, employment assistance and prevention services are needed to help bring and maintain stability for this population. In addition, Washtenaw United Way and the Salvation Army Territorial Headquarters cite the need for substance abuse treatment for low-income persons, especially women and youth. Residential treatment programs for youth, women with children and pregnant women are especially needed as many of the residential treatment programs that previously existed have closed. In a 1991 United Way study of 6,147 female-headed households who are living below poverty level, it was estimated that there are 33,000 individuals who abuse or are dependent on alcohol and another 15,000 who abuse other drugs in Washtenaw County. The program needs to emphasize meeting the needs of low-income women with children by providing outreach and advocacy and mental and physical health needs.

D. Inventory of Facilities and Services for Homeless Persons

There are five agencies in the Ann Arbor area which provide overnight shelter to homeless individuals and report statistics by individuals served and bed-nights provided. Other service related statistics are also collected. There are no means for measuring duplication of services among the shelter providers. Even with increases in capacity the shelters are finding that they cannot address all of the requests received for services. As additional facilities or services become available they are filled very quickly.

1. Overnight Facilities:

Shelter Association of Washtenaw	
- Emergency Shelter - individuals	52 Beds (18 mats for overflow)
- Rotating Church Shelter (October-May)	20 Beds
Salvation Army/Arbor Haven	
- Families & Individuals	15 Beds ¹
Ozone House	
- Homeless/Runaway Youths	6 Beds ²
Domestic Violence Project/SAFE House	
- Families/Victims of Domestic Violence	45 Beds ₃
SOS Community Crisis Center/Prospect Place	
- Families	4-5 Families ¹
Interfaith Hospitality Network	
- Families	3-5 families

¹ The family shelters have varying capacity, depending on family size.

² Ozone House coordinates emergency shelter with the Youth Housing Coalition for youth over the age of 16, and

with Foster Care for youth under the age of 16.
3 New Safe House facility opened in March, 1995

2. Transitional Housing Facilities:

ANN ARBOR YMCA - Provides 100 single room occupancy (SRO) units for minimum wage earners and other low income individuals for an estimated 700 different individuals annually. Referrals and coordination with other service providers enable very low-income and low-income individuals transitional housing until more permanent housing can be located. While monthly rent levels at the YMCA are within HUD defined fair market rent levels for single room occupancy units, all parties agree that rent levels are higher than they would like for them to be. There is added costs to individuals who pay either daily or weekly rates. Some assistance to subsidize or reduce the rents for very low income residents has been provided.

EMMET PLACE - Operated by the Shelter Association of Washtenaw, Emmet Place is a transitional housing facility for single adult males located in Ypsilanti which opened in 1994.

FATHER PATRICK JACKSON HOUSE - A private non-profit that provides transitional living program for pregnant and parenting youth. During a 12 month period, approximately 17 young women between the ages of 16 and 21 are provided with living accommodations, services to develop independent living skills, education and counseling including substance abuse, and appropriate referrals for both medical treatment and obtaining employment.

MILLER HOUSE - Operated by Ozone House since July, 1988. Funding cutbacks resulted in its closing for a period between 1993 and 1994. Miller House is a residential independent living program for homeless and runaway youths and provides family-like care and a stable living environment, including independent living skills counseling and substance abuse education and substance free activities. It can accommodate up to 6 people at a time. In addition, Ozone House operates a non-residential transitional living program for approximately 25 homeless youths per year. This program assists youths in finding employment and furthering their educations and provides financial support relating to house opportunities.

SOS COMMUNITY CRISIS CENTER - In partnership with a local management company, and with the support of a Transitional Housing Grant from the U.S. Department of Housing and Urban Development, SOS coordinates transitional housing for 20 families, providing extensive family counseling and child care along with other housing support services. Families' housing expenses are subsidized by approximately \$300 per month, and the apartment management company provides a reduced rent rate. SOS is continually seeking to expand this program to reach more families with their housing needs.

WIT HOUSE (Women in Transition) - Operated by the Shelter Association of Washtenaw, WIT House is a transitional housing facility for women and their children, and provides goal setting assistance, money management counseling, housing referrals and independent living assistance. Women can stay as long as 18 months and the facility can accommodate up to 7 women and their children. In 1993, WIT House served 20 women and their children.

3. Supportive Assistance:

ASHLEY PLACE - Operated by the Shelter Association of Washtenaw, Ashley Place's primary focus is to assist individuals in the resolution of problems which contribute to their homelessness including employment and literacy assistance; substance abuse referrals, advocacy and self-help groups; mental health assessment; health care; referral and advocacy; money management counseling; a Women's evening group; housing referral and assistance. In 1994, Ashley Place provides these services to 1,300 persons. Of these 300 individuals were assisted in job placements.

TRAILBLAZERS OF WASHTENAW - Operates a clubhouse for individuals who are recovering from

mental illness. The clubhouse provides individuals with a place to meet during the day for lunch and to participate in prevocational employment counseling in preparation for entry into the job market. Trailblazers provides services to 20-25 persons per day and has secured a permanent site where the clubhouse has located.

SOS COMMUNITY CRISIS CENTER/PROSPECT PLACE - In addition to its overnight shelter component, SOS provides counseling, employment assistance, child care and meals to families who are actively seeking housing. SOS is seeking funding to expand its service capacity as well.

ST. ANDREW'S EPISCOPAL CHURCH - St. Andrew's has operated a breakfast and packed lunch program for needy individuals since 1982. The meal program serves approximately 3500 meals per month, or approximately 100 persons per day. A large proportion of the individuals who use the program come from the Shelter and the Ann Arbor Y.

In addition to the specific programs listed above, there are several other agencies in the Ann Arbor area which provide services to homeless persons. Foodgatherers, Inc. is an organization which collects fresh food from local restaurants for the shelters. Referrals are made by made area agencies to the County's Multi-Service Center to apply for various state and federal programs as well as to the Social Security Administration. The Ann Arbor Housing Commission also receives referrals for applications for public housing and rental subsidies. The American Red Cross provides assistance for disaster relief and emergency funds.

Emergency shelter vouchers have also been distributed for many years. It is difficult to measure the number of individuals served because many of the agencies distributing vouchers were not collecting data uniformly. The agencies most active in the distribution of emergency shelter vouchers are the Michigan Department of Social Services, SOS Community Crisis Center, the Salvation Army, the Domestic Violence Project/SAFE House, the American Red Cross, and Ozone House. Referrals are made among agencies, directing those in need to those agencies with resources.

4. Other Social Service Programs to Assist the Homeless:

The following non-profit organizations provide a variety of programs to assist the homeless. The City also considers that many of these activities contribute to the prevention of homelessness within the community. They include:

ANN ARBOR COMMUNITY CENTER - Provides alcohol and chemical substance abuse counseling and treatment.

CATHOLIC SOCIAL SERVICES - Provides walk-in counseling services to homeless individuals. Also provides non-perishable food to low-income families.

CHILD CARE NETWORK - Provides child care assistance to families living in family shelters.

CLEAR HOUSE - Substance abuse outpatient treatment center operated by Child & Family Services.

COMMUNITY DENTAL CENTER - Provides dental care for indigent and low income individuals.

COMMUNITY LEANING POST - Provides housing referral assistance and counseling services to homeless and other very low income.

HUNGER COALITION - Local church program which provides rotating evening meal program for homeless individuals.

INTERFAITH HOSPITALITY NETWORK - Provides support services to homeless families including temporary shelter at local congregations, food, and support services.

LEGAL SERVICES OF SOUTHEASTERN MICHIGAN - Provides legal assistance to low- and very low-income individuals and families who have been evicted from their homes. Also provides housing advocacy on the local, state and federal levels.

OPTIONS CENTER - Provides employment services and housing referral services to ex-offenders.

PACKARD COMMUNITY CLINIC - Provides medical services to homeless individuals and families. Also has an alcohol treatment program and nutritionist services.

WASHTENAW INTERVENTIONS/HOMELESS PROJECT - Provides housing referral assistance, counseling and advocacy for homeless individuals who are suffering from mental illness.

WASHTENAW COUNTY MULTI-SERVICE CENTER - A Washtenaw County service which provides one-stop assistance in determining eligibility and sources for federal/state assistance including Aid to Families with Dependent Children assistance, Supplemental Security Income, DSSI, mental health and employment training.

5. Homelessness Prevention Programs:

ANN ARBOR TENANTS' UNION - The Tenants' Union provides eviction prevention through its counseling and educational efforts, and handles referrals of cases which have not reached the formal legal eviction procedure.

ANN ARBOR YMCA - The YMCA provides 100 single room occupancy units for minimum wages earners and other very low income individuals.

FAIR HOUSING CENTER OF WASHTENAW, INC. - The Fair Housing Center seeks to prevent homelessness among minorities, the homeless, women with children, and persons with disabilities through enforcement of fair housing laws.

LEGAL SERVICES OF SOUTHEASTERN MICHIGAN - Legal Services handles approximately 4000 cases per year for lower-income people. Thirty percent of those cases are devoted to homelessness prevention, relating to eviction and tax foreclosure, particularly in public and subsidized housing in Ann Arbor and outlying areas.

SHELTER ASSOCIATION OF WASHTENAW - In recognition of the need for permanent affordable housing for the homeless, the Shelter Association has developed a permanent housing program in which it provides housing support services such as collecting rents, settling housing related disputes, assuring property upkeep and intervening in situations where a tenant's disabilities endanger maintaining their housing. The Shelter Association works with churches to provide housing support services to clients in units leased or subsidized by the churches.

E. Inventory of Facilities and Services for Persons With Special Needs

The City of Ann Arbor funds many non-profit organizations for the provision of services to persons with other special needs. There are also many volunteer organizations which provide services. Unless otherwise noted, the agencies listed below receive City of Ann Arbor funding, either from the City's General Fund or from its Community Development Block Grant Allocation.

ANN ARBOR CENTER FOR INDEPENDENT LIVING (CIL) - CIL provides independent living skills training and housing location assistance to 50-70 persons with physical disabilities per year.

ALLIANCE FOR THE MENTALLY ILL (AMI) - AMI is primarily an all-volunteer advocacy organization for the mentally ill, working on the local, state, and federal level to improve services to the mentally ill. AMI has been active in the development of a housing needs survey of Washtenaw County's population of persons suffering from mental illness. AMI receives no City funding.

AVALON HOUSING INC - Incorporated in August, 1992, it was created by the Shelter Association to develop and manage housing that is affordable to people on fixed incomes, those on low wage jobs who have utilized the emergency shelter programs, and mental health consumers.

COMMUNITY HOUSING ALTERNATIVES (CHA) - Incorporated in 1993 as a subsidiary of Community Residence Corporation, CHA was formed to address the need for affordable housing for persons with disabilities.

HIV/AIDS RESOURCE CENTER-WASHTENAW (HARC) - The Center (formerly Wellness Network) was organized in 1993 as an agency to advocate for persons with HIV disease. Services include peer counseling, housing assistance and emergency assistance.

HOUSING BUREAU FOR SENIORS (HBS) - HBS provides housing information services to seniors. HBS also provides counseling on housing alternatives, property tax foreclosure prevention and a Homeshare program for seniors.

NEIGHBORHOOD SENIOR SERVICES (NSS) - NSS provides chore services and outreach assistance to the frail and low-income elderly. NSS provides pre-nursing home transition support services - assistance in the transition from the individual's home to assisted care or nursing home facilities.

NEW ALTERNATIVES IN COMMUNITY LIVING (NA) - NA was organized in October, 1991 as a residential care association and provides housing, care and support to the homeless and the mentally ill.

SOUNDINGS - Soundings provides counseling and assistance to low-income women working to attain economic self-sufficiency. Soundings provides employment counseling and training to women.

WASHTENAW ASSOCIATION FOR COMMUNITY ADVOCACY (WACA) - Funded by Washtenaw County and the Washtenaw United Way, WACA performs housing referral services for persons with developmental disabilities and serves as a support agency for families of persons with developmental disabilities. WACA receives no City funding.

PART 3

OTHER COMMUNITY NEEDS

There have been many opportunities for input into the City's "non-housing" community development needs. When the City first began receiving Community Development Block Grant (CDBG) funds in 1975, a comprehensive citizen input process resulted in CDBG funds being expended in the areas of street improvements, park improvements, sidewalks, neighborhood facilities, flood drain improvements, police and fire needs, code enforcement, historic preservation, other public improvements and public services. A cumulative total of CDBG funding spent since 1975 reflects the following:

1975-1995 Cumulative CDBG Budgeted Totals

<u>Category</u>	<u>Amount</u>	<u>Percent</u>
Housing	\$10,623,001	36%
Public Services	\$ 8,871,122	30%
Economic Development	\$ 1,231,462	4%
Physical Improvements	\$ 3,728,933	13%
Acquisition/clearance	\$ 110,000	0%
Administration	<u>\$ 4,983,800</u>	<u>17%</u>
total	<u>\$29,483,487</u>	100%

A cumulative total of CDBG funding budgeted since 1990 reflects the following:

1990-1995 CDBG Budgeted Amounts

<u>Category</u>	<u>Amount</u>	<u>Percent</u>
Housing	\$ 2,695,000	43%
Public Services	\$ 1,980,000	31%
Economic Development	\$ 160,000	2%
Physical Improvements	\$ 100,000	2%
Acquisition/clearance	\$ 110,000	2%
Administration	<u>\$ 1,258,000</u>	<u>20%</u>
total	<u>\$ 6,303,000</u>	100%

According to the 1994 Report to Congress on Community Development Programs, the expenditures by category reported for all Community Development Block Grant Entitlement funds were as follows:

1994 National CDBG Spending

<u>Category</u>	<u>Percent</u>
Housing	37%
Public Services	11%
Economic Development	9.7%
Physical Improvements	21%
Acquisition/clearance	5.6%
Administration	<u>14%</u>
total	100%

In 1995, a very small amount of CDBG funds is being expended in areas other than housing and public/human

services because the City has allocated other resources to satisfy these needs or the community has approved local millages to fund projects identified in approved plans. Since 1982, Ann Arbor voters have approved bond issues or millages to rehabilitate local streets. These funds have replaced CDBG funds which were initially used to rehabilitate streets in low-income neighborhoods. In 1990, Ann Arbor voters approved an environmental bond which would fund a Materials Recovery Facility, clean-up at the Ann Arbor Landfill and other improvements.

In 1994, the City, with input from a citizen task force and staff, completed the 1994-2000 Park, Recreation and Open Space Master Plan which describes current parks and parkland within the city and identifies development, redevelopment and other needs for these sites. In 1988, a five year millage was approved by the voters for parkland acquisition. In 1989, a six year millage was approved for park rehabilitation and development. In November, 1994, the six year millage was renewed by the voters for maintenance and repair of parks. These millage approvals reflect the priority given by Ann Arbor citizens to tax themselves to complete the outlined park projects.

The City has adopted a number of plans over the years which reflect ongoing community needs and strategies and resources to address them. City staff and the Solid Waste Commission worked throughout 1994 in updating the City's 1988 Solid Waste Management Strategy. Additionally, with assistance from several citizen task forces, Planning staff developed the Central Area Plan, the West Area Plan, the Transportation Plan, and the Capital Improvement Plan.

PUBLIC/HUMAN SERVICE NEEDS

In 1989, as a result of years of funding services without a defined plan, City Council formalized its commitment to human services with the approval of a Human Services Policy. The Policy stated that the City of Ann Arbor recognizes that it must invest in its human capital as well as its physical infrastructure, public safety or public works. To this end, the city must seek to assure that adequate levels of appropriate human services are made available to residents of the city, particularly the most vulnerable. This requires ongoing planning, communication and coordination with a variety of public and voluntary organizations, county, state and federal governments, the Washtenaw United Way and community organizations.

The city seeks to assure the availability of human services primarily by:

- ☐ Encouraging the delivery of appropriate services from organizations which can deliver and underwrite the cost of the services.
- ☐ Entering into contractual partnerships with non-profit agencies to ensure delivery of essential services utilizing Community Development Block Grant or city General Funds;
- ☐ Providing other public funds to organizations which can deliver needed human services to Ann Arbor residents.

Human services are those services provided to individuals or families experiencing difficulty in meeting their basic human needs: for physical survival (food, shelter, clothing and maintenance of minimum income); for adequate preparation for and help in sustaining gainful employment (employment and training programs, child day care); for social support and interaction, especially in times of personal or family crises (social services, counseling); for assistance in addressing specific pathologies (health, mental health and substance abuse treatment programs); and for help in gaining access to available appropriate services (transportation, information and referral services). These services may be either preventative or remedial in nature, but are to be delivered in such a way that recipients of the services are not rendered unnecessarily dependent on the services but rather are helped to attain the greatest possible level of independence and self-determination. Services shall be targeted to residents of Ann Arbor who are low and very low income, as defined by the Department of Housing and Urban Development. Services may also be targeted geographically, by age group, or by specific needs.

Categories of Human Services

The following categories of service have been recognized by the city as important and appropriate for city human service funding support:

- ☐ **Emergency services** (Food, Shelter)
- ☐ **Support services for individuals and families in crisis** (homelessness prevention, counseling, crisis intervention)
- ☐ **Services to special populations which prevent institutionalization and promote self-reliance** (elderly, disabled)
- ☐ **Services to at-risk youth**
- ☐ **Legal and health services**
- ☐ **Services which promote economic self-sufficiency** (child care, employment support)

Since 1982, over \$5,200,000 of General Funds has been allocated to public/human service programs. In the 1994-95 program year, \$396,000 of CDBG funds, \$10,000 of CDBG program income and \$635,000 of General Funds were allocated to agencies, programs and projects within public/human services.

In Fall, 1993, the Community Development Department through its CDBG Executive Committee conducted a series of roundtable discussions with nonprofit agency representatives to discuss unmet community needs. Homelessness, substance abuse, jobs, childcare and transportation issues ranked high on the list of unmet needs.

The Washtenaw United Way (United Way) completed a 1989 Needs Assessment which was updated in 1994. It concluded that request for funds generally exceeded dollars available from most funding sources and that most services were available but on a limited basis. They reported that service providers often have a waiting list and that in the 1990s, funding for human services is not expected to increase due to the growing fiscal problems at all levels of government. This will result in increasing strain on service delivery systems unless other funding sources are found. The United Way Needs Assessment reflected the major social service issues and problems in the county:

- ☐ Alcohol/Drug Abuse
- ☐ Child Abuse and Neglect
- ☐ Affordable Housing
- ☐ Domestic Violence
- ☐ AIDS
- ☐ Teenage Pregnancy
- ☐ Homelessness
- ☐ Juvenile Delinquency Prevention
- ☐ Crime
- ☐ Unemployment/Job Training

The Assessment also asked respondents to indicate the adequacy of various services to meet the needs of the community and the following services were rated as "not adequate" to meet community needs:

- ☐ Shelter for Homeless
- ☐ Juvenile Delinquency Prevention
- ☐ Child Abuse Prevention
- ☐ Job Training
- ☐ Job placement

- ∃ Crime Prevention
- ∃ Housing Assistance Programs

Among the variety of services that were reported as most frequently used included: transportation services, medical care services, child care services, and the provision of food. Service recipients also reported using dental care services, personal/family counseling, financial aid programs, and health screening and counseling programs.

ECONOMIC DEVELOPMENT NEEDS

Economic development needs have been evidenced primarily in the area of employment and economic opportunity, both in economically disadvantaged neighborhoods and in local businesses. This is reflected in both the United Way Needs Assessment and number of agencies submitting proposals in the employment training and support category. Although Ann Arbor's unemployment rate has been one of the lowest in the state, economic opportunity is needed in terms of job training and retraining, job development skills, job creation and job retention. There is particular need for jobs which pay a living wage and offer benefits, particularly health care. The lack of transportation from Ann Arbor to outlying areas within the county where businesses and industries are located and expanding remains a barrier for potential low-income job seekers.

Although many private, public and nonprofit entities are considered part of the economic fabric of the community, the City has provided funding primarily to the Washtenaw Development Council (WDC) and the Ann Arbor Community Development Corporation (CDC) for programs in support of economic development. The WDC has identified employment training/support services as a community need. With current labor shortages in the county, the WDC has stated that an excellent opportunity exists to target individuals who are currently un-employed or under-employed to provide for long-term economic self-sufficiency especially for the long-term unemployed and underemployed.

Information from the 1990 Census for Washtenaw County reflects a handicapped population of individuals 16 and over of 9,220. Of this total, 6,808 are in the labor force and 1,984 are economically disadvantaged. There are also 2,412 not in the labor force but able to work, and of these 1,426 are economically disadvantaged.

A 1994 survey of Business Profiles completed by the Washtenaw Development Council identified both labor force needs and workforce training needs. For companies with 50+ employees, there is a shortage of engineers, computer programmers, skilled machinists, shop workers and technicians. Low unemployment rates are driving the labor market to be more competitive. Transportation for unskilled workers, affordable housing and school to work programs are needed. Uncompetitive wages was cited as a possible obstacle to recruiting labor. Workforce training was in high demand. For companies with 1-19 employees, there is a labor shortage of highly skilled machinists, experienced computer sales people and building trades. The lack of vocational schools and adequate training programs is an important concern. Workforce training needs included apprenticeship training, workforce basic skills and basic education enrichment.

The CDC has identified the need for business assistance services for low-income residents, especially women and minorities engaged in micro-business development as a means of economic independence. An additional economic development need is access to commercial financing. The CDC has worked to establish small business loan programs with funding from federal, state and local sources. One of the programs, the Commercial Micro Loan Pool was a product of the Community Credit Initiative designed to provide financing to groups that have had difficulty obtaining financing.

The Washtenaw Development Council has stated that economic development should remain a priority within the city and several factors may negatively impact the local economy: the limited availability of real estate within city limits to accommodate the needs of start up businesses entering growth cycles; the need to begin planning for the creation of quality employment opportunities for individuals affected by impending downsizing of the city's two largest employment centers - education and health care; the need to aggressively address the shrinking tax base caused by the removal of valuable real estate; and the need to continue to limit the city's reliance on the automotive industry.

The City will continue to work with nonprofit entities and coordinate with the Economic Development Corporation and the Chamber of Commerce to retain and expand local business and economic development opportunities.

PART 4

PUBLIC HOUSING NEEDS

There are 343 units of public housing in Ann Arbor, of which 63% are designated for family occupancy. Although substantial amounts have been spent on rehabilitation, the condition of much of the public housing stock is in constant need of improvement because of inadequate budgets to complete maintenance, overuse of many of the units, and the need for improved security.

In August 1993, the vacancy rate for public housing was less than 10 units, however several units were being held vacant as renovations are underway. In December, 1994 75 units, or twenty-two percent of the units were vacant primarily because of major rehabilitation underway at two different sites. A modernization adjusted vacancy rate is 6% or 22 units. In July of 1990 and 1992, applications were accepted for residency in Ann Arbor public housing. Over 1,000 applications were received, and estimates indicated that only 8% of the applicants did not meet the federally-established eligibility and preference requirements, so the waiting list for public housing could have had as many as 920 households awaiting housing assistance. It is estimated by the Ann Arbor Housing Commission that without any preferences to move higher on the waiting list, a family waiting for a three-bedroom public housing unit could wait indefinitely because of the level of demand by low-income families and individuals who have greater eligibility. The waiting list has been closed since the fall, 1992 but recent updates reflected over 700 applicants sustaining their interest in Section 8 subsidies.

PUBLIC HOUSING IMPROVEMENTS

Although the Housing Commission has been designated as a troubled Commission, the City should continue working to improve the conditions of the public housing stock in the City, including improvements in tenant management, self-sufficiency and other self-help programs, maintenance and training efforts.

In November, 1994, the Housing Commission appointed a new executive director. In December, 1994, it was awarded a \$50,000 vacancy reduction grant, to both rehab vacant family units and obtain technical assistance on management issues related to waitlist management, occupancy, and unit turnaround. Under the new Tenant Opportunity Program (TOP) regulations, the Commission is working with resident councils at two elderly sites to meet guidelines for official recognition and become eligible for Technical Assistance grants to improve their management capacity. Unity RMC has already received training under a TAG grant, and plans to apply for continued training and consultation under the Technical Assistance grant available from HUD. The Commission is applying for Youth Sports and Drug Elimination Grant funding to focus on project based services for youth and adults as part of its anti-drug strategy. The Housing Commission continues to participate in HUD's Family Self-Sufficiency Program for tenant self-help programs and rental subsidies. These efforts are all targeted to increase tenant involvement and improve the over-all management of Ann Arbor's public housing.

The Ann Arbor Housing Commission will continue to apply for Comprehensive Grant funds to improve the living environment for public housing residents. The annual grant will be in the amount of approximately \$600,000 to \$700,000 over the next five years. The AAHC continues to work with Unity, the tenants' organization, to improve communication and understanding of public housing management and operations.

The Housing Commission has also developed a program for spending funds under the Turnkey III Loan Forgiveness Program. Although approval has not yet been received from HUD, the program funds would be used to support the new development program, pay off current operating deficits, and acquire new affordable housing units.

The Housing Commission also continues in its efforts to construct up to 23 new units on scattered sites throughout the city. Although the project has been delayed for many years, construction at several sites may begin in 1995.

PUBLIC HOUSING RESIDENT INITIATIVES

Unity Resident Management Corporation, a public housing resident group, expects to continue to apply for funding for Resident Initiative Programs. Additional applications may be submitted for programs to expand the business development program, primarily for public housing residents, and to assist Unity in working to learn the skills and knowledge necessary to take on some management functions and share responsibility with the Housing Commission. Unity is also working with New Generations, a resident-organized entity in developing programs for children at all family public housing sites. The Housing Commission expects to take no action to reduce the inventory of public housing by converting units to homeownership.

PART 5

LEAD-BASED PAINT HAZARD NEEDS

In December, 1994, the Community Development staff contacted the Health Officer within the Health Services Group of Washtenaw County government as well as the State of Michigan Public Health Department concerning the issue of lead-based paint hazards. The responses indicate that there is limited screening underway in the county and they are unable to determine the extent of the problem in Washtenaw County or within the City of Ann Arbor. From the period of June, 1993 through October, 1994, twenty six (26) cases were screened and confirmed to have elevated blood lead levels. Four of these cases were within Ann Arbor. The County Health Group will be encouraging a comprehensive blood lead testing program for all pediatricians and family physicians in the county, for a two year period, beginning in 1995 in order to obtain better data on the prevalence of lead poisoning in this county.

The following information from the 1990 Census provides numbers of housing units occupied by low and very low income households that contain potential lead-based paint hazards based upon the age of the structure.

PRE - 1940 HOUSING						
	Renter			Owner		
Total	Total	Very-low	Low	Total	Very-low	Low
7,880	3,967	1,088	1,714	3,913	204	683
100%	50.3%	27.4%	43.2%	49.7%	5.2%	17.4%

1940 - 1959 HOUSING						
	Renter			Owner		
Total	Total	Very-low	Low	Total	Very-low	Low
9,810	4,024	1,321	2,001	5,766	346	1,662
100%	41.2%	32.8%	49.7%	58.8%	6%	28.8%

1960 - 1979 HOUSING						
	Renter			Owner		
Total	Total	Very-low	Low	Total	Very-low	Low
19,206	12,337	4,080	6,315	6,869	574	1,097
100%	64.2%	33.1%	51.2%	35.8%	8.4%	16%

Long term strategies and actions proposed to evaluate and reduce lead-based paint hazard over the next five years will include ongoing communication with local health organizations and providing ongoing abatement and educational efforts as part of the housing rehabilitation program.

PART 6

MARKET AND INVENTORY CONDITIONS

The Ann Arbor housing market is characterized by the large number and percentage of rental units, the high percentage of one and two person households, the large number of student households, the rapid turnover of rental units, and the large number of households without children. All of these factors have impacted and molded the housing market.

NUMBER OF UNITS

The housing stock of the City of Ann Arbor and the rate of growth within the City is similar to many other cities in the state, yet reflects the uniqueness of the community.

A history of the growth in the housing stock is reflected below. The figures do not add across because they do not include vacant units.

<u>Year</u>	<u>Owner Occupied</u>	<u>%</u>	<u>Renter Occupied</u>	<u>%</u>	<u>Total Units</u>
1950	6,136	52.3%	5,374	45.8%	11,723
1960	10,129	48.8%	9,597	46.2%	20,752
1970	14,249	43.8%	17,262	53.1%	32,533
1980	16,217	40.4%	22,728	56.6%	40,139
1990	17,996	40.9%	23,661	53.8%	44,000

Source: U.S. Census Reports

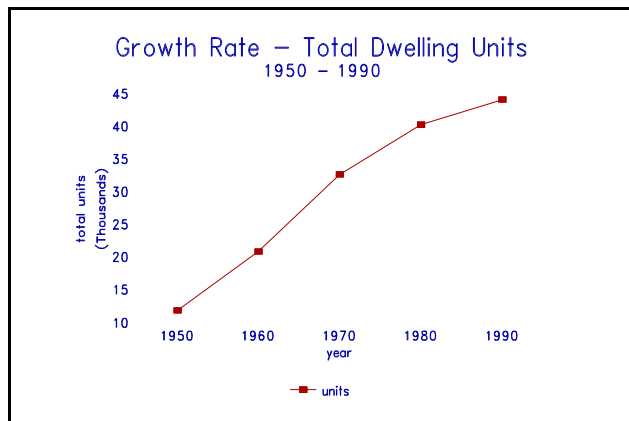


Table 1A identifies Population and Household Data including racial information and Table 1B details housing stock inventory conditions. Information is from the 1990 U.S. Census.

HOUSING TYPE

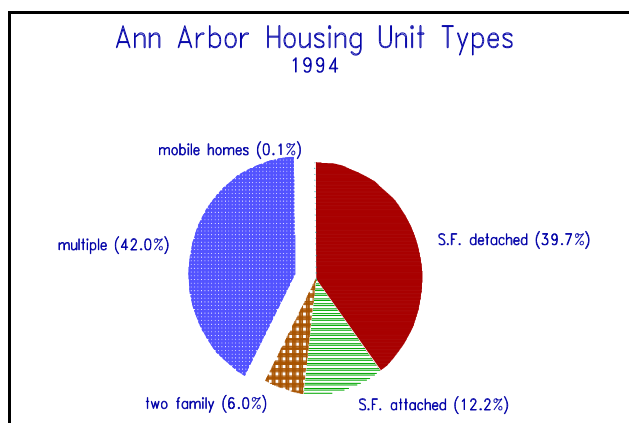
The breakdown by type of housing is reflective of the population and large renter component.

<u>type</u>	<u>units</u>	<u>percent</u>
single family detached	17,893	39.7%
single family attached	5,514	12.2%
two-family	2,687	6.0%
multiple family	18,925	42.0%
mobile homes	54	.1%
total	45,073	100 %

group quarters 9133 rooms

Source: City of
Information

Ann Arbor Urban
System, Parcel File

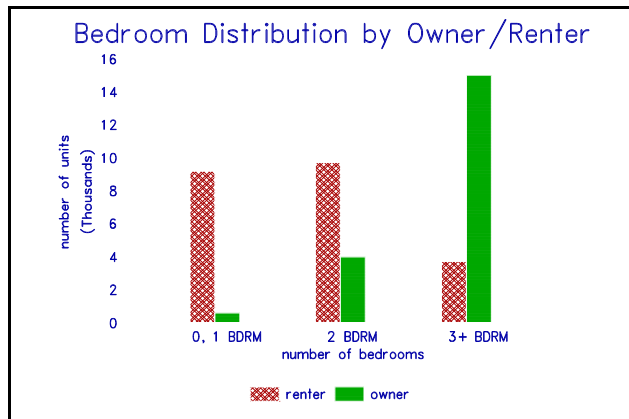


HOUSING UNIT SIZE

It may be difficult to determine if the housing stock in a community is built to satisfy a particular market demand or if the demand is absorbed into the units as they are constructed. While the over-all market reflects a substantial number of units available to large families, an overwhelming majority of the large units are in single family dwelling units. Renter or multiple family housing has concentrated on one and two bedroom units.

<u>Number of Bedrooms</u>	<u>Owner %</u>	<u>Renter %</u>	<u>Total Units%</u>
0 or one	2.8%	40.6%	21.8%
two	20.4%	43.0%	31.8%
three or more	76.9%	16.4%	46.5%
total	100 %	100 %	100 %

Source: Ann Arbor Household Survey



HOUSEHOLD TENURE

Homeownership within the City increased from 1980 to 1990 but is still significantly lower as a proportion of total households than the regional or national average.

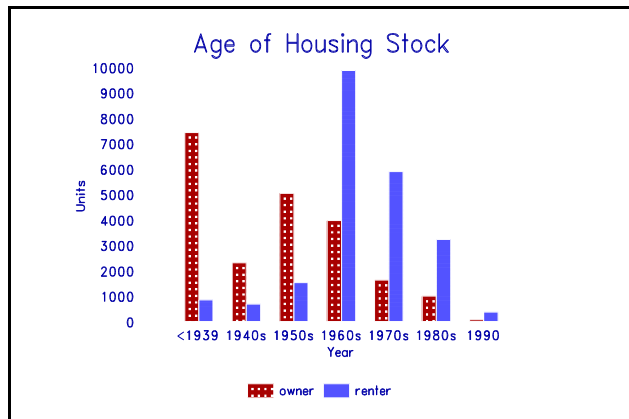
Tenure	1990 Census AAHS	1990 Census	1980 Census	1980 Regional	1980 National	1980
Owner	43.2%	45.0%	41.6%		68.2%	64.4%
Renter	56.8%	55.0%	58.4%		31.8%	35.6%

AGE OF HOUSING

Over 60% of the city's housing stock has been built since 1960. However over 34% of the single family housing was built before 1939. As the housing stock ages, additional rehabilitation needs become evident. Many of the multiple family units built during the 1960s and 1970s are reaching the age when mechanical systems are now at the end of their useful lives and will require replacement. Additionally, as the single family structures which have not received regular upkeep and maintenance continue to age, rehabilitation programs can be used to improve conditions.

<u>Age</u>	<u>Owner %</u>	<u>Renter %</u>	<u>Total%</u>
<1939	33.9%	3.7%	18.4%
1940-49	10.5%	3.0%	6.7%
1950-59	22.9%	6.6%	14.6%
1960-69	18.1%	42.8%	30.8%
1970-79	7.4%	25.6%	16.7%
1980-89	4.5%	14.0%	9.4%
1990-94	2.6%	4.2%	3.4%

Sources: Urban Information System - Parcel File



MARKET CHARACTERISTICS

The City grew tremendously during the 1960s due to the expansion of the University of Michigan and the growth of firms engaged in research and development of new technology. Almost half of the City's multiple family units were built during the 1960s to meet this two-phased demand. The University responded by constructing some new dormitories and married student housing, but relied primarily on the private market to absorb the student population.

Residential development continued during the 1970s with the construction of many of the large apartment complexes occurring during this decade. Additionally, federal housing programs initiated during the 1960s produced multiple family assisted units under the HUD 236 program, an interest reduction and insurance program, and the 221(d)3 program, a mortgage insurance program.

Some of the reasons often cited for the large number of multiple family dwellings in the city are:

- a. the large number of students attending the University of Michigan (over 36,000) and the fact that the University only accommodates approximately one third in its housing facilities;
- b. the conversion of single family homes into apartments in neighborhoods surrounding the University and the overall impact of students on the housing stock;
- c. the transient nature of the population as it relates to the University and professional and service work forces, who normally rent housing;
- d. the large number of smaller, younger households, either unable or unwilling to become homeowners;
- e. the demand for privacy and desire to live alone;
- f. good freeway access to and from the city and the attractiveness of Ann Arbor as a place to live for working professionals;
- g. an increasing elderly population;

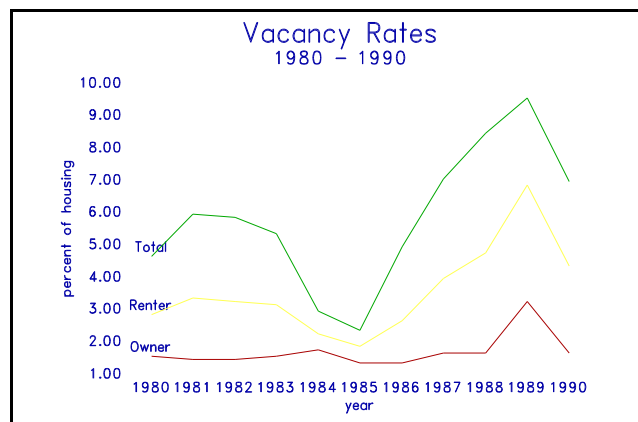
The City, like many areas of southeastern Michigan, was part of a residential building boom during the second half of the 1980s. Residential building permits filed within the city during the 1980s totaled 1084 permits for single family, 86 permits representing 172 units for two-family, and 324 permits representing 3408 multi-family units. Ann Arbor had been one of the top ten communities in southeastern Michigan in total permits for new dwelling units during the late 1980s and had also been in the top ten communities for multiple family permits since 1984. However, since 1990, growth has slowed considerably in the city due to the costs of housing and land and lack of available vacant land.

Many of the newer multiple family units when completed were renting at rates substantially above existing median rents because of added amenities. Additionally, the vast majority are one or two bedrooms and are not suitable or affordable to accommodate large families.

Although the City has been one of the leading centers of growth within the county, the limited supply of vacant land and the increasing rate of growth in surrounding areas will result in future single family and multiple family development being located in surrounding townships. While construction in the city has followed traditional single family dwellings for owners and townhouse developments for both condominium and rental, a significant increase in mobile home developments in planned facilities has occurred in surrounding townships, often at affordable levels to first time home buyers. Because of the high cost of land needed to assemble a mobile home development, and the existing zoning established within the city, few if any of these types of units are expected to be constructed in the city.

VACANCY RATES

Vacancy rates within the city have fluctuated from a low of 1% for owner units and 3.7% for renter in 1970 to a high of 3.2% for owner and 9.5% for renters in 1989. During the recession of the early 1980s, when few new units were being added to the market, vacancies were created by students "doubling up" in bedrooms in order to reduce their individual costs. As the recession ended and new apartments complexes were built farther from the center of the city, students began living farther away from campus, creating vacancies in housing around campus. As vacancies continued in the central area neighborhoods, housing conditions deteriorated and maintenance work was deferred. During the early 1990s, the higher vacancy rates have had the effect of limiting landlords in the amount, if any, of increase in rental prices. This has had the unexpected effect of expanding the supply of housing available to individuals in the community.



With higher vacancy rates, property owners become more aggressive in advertising and marketing their units and have reported "under-renting" or leasing at reduced rents. University of Michigan Housing Office reported decreasing vacancies from 1992 through 1994 of properties within walking distance to campus. This has had the effect of providing Section 8 certificate holders with a broader selection of units. If vacancy rates continue at these higher levels, some property owners may be forced to sell their buildings which may provide opportunities for acquisition by non-profits or others interested in providing housing at lower acquisition costs.

HOUSEHOLD CHARACTERISTICS

One of the most significant features of the Ann Arbor housing market is the large proportion of renter households. This is primarily due to the nature of the community as a university town.

A review of Ann Arbor Household Survey data for the 1980s showed that the most common type of households (55%) was a family household defined as more than one person, all related to one another. Single persons comprise the second largest category (26%), while approximately 16% are households of more than one all unrelated members. Again, these figures primarily reflect the student nature of the housing market.

Over one third (35%) of the households are two persons, while the mean household size has remained relatively constant at 2.4 persons. This correlates closely to the 1990 Census figure of 2.32 persons per

household.

The length of residence at current address also reflects the student and transient faculty population as over 25% of the population had lived at their current address for 1 year or less. Another 25% had resided at their current address for 1 to 3 years, while approximately 22% have resided at their current address for over 10 years. The median length of residence for renter households according to the 1988 AHS was 1.5 years, while the median length for owner households was 7.67 years. Comparing the length of residence over the five Ann Arbor Household Surveys completed during the 1980s shows a decrease in the number of households staying in their residences between 1 and 5 years, and an increase in the number of households staying 5 years or more.

These figures can be interpreted to reflect a fairly high turn-over among the rental units. A change in the vacancy patterns from low vacancies of the late 1970s to the higher rates since 1988 have probably had an impact on turnover rates as vacancies increase, turnover increases.

HOUSEHOLD INCOME

An analysis of household economic status from the 1988 Household Survey reflects significant difference between owner and renter households. While the median income for owner households is \$50,000, renter households had a median of \$25,000. The median household income for the City for 1988 was \$35,000, compared to the 1980 median of \$18,000. This represents a gain of over 94% over the eight year period. While only 9% of the owner households have income below \$20,000, 35% of the renter households fall below this level. Further 12% of the renter households have incomes less than \$10,000. According to the 1990 Census, the median household income was \$33,344, while families had a median income of \$50,192 and nonfamily households was \$21,701. Information reported from the Michigan League for Human Services based on 1990 Census data reflects per capita income in Ann Arbor of \$17,786, placing it 10th highest among the 60 largest cities in the State. Married couple family income was reported at \$65,416, single parent female family income was \$24,436, while single parent male family income was \$39,728.

Analysis of the Household Survey data reflect almost 40% of the single parent family households have income less than \$20,000, while 14% are less than \$10,000. Twenty percent of the senior households have incomes less than \$20,000, while 10% are less than \$10,000. 43% of the student households have incomes less than \$20,000, while 15% are less than \$10,000.

The 1990 Census reflected 16.1% of the population was below the poverty level representing 15,624 persons. The Census notes 6% of all families are below the poverty level which represents 1283 families; 8.3% of children under the age of 18 are below poverty level; and 7.4% of persons 65 and older are below poverty level. Other significant figures reflect 22.9% of the female headed households with children under 18 are below poverty level, while 37.3% of the female headed households with children under 5 are below poverty level. Of the 60 largest cities in the State, there are 39 cities with lower percentages of persons below poverty level than Ann Arbor's 16.1%. The 1994 poverty thresholds for 1 person is \$7,551, while the level for a 4 person family is \$15,141.

HOUSING COSTS

Information collected from the six Ann Arbor household surveys, from the University Housing division surveys, from Washtenaw County's Housing Report and from private market surveys reflect steady increases in the price of rental housing during the early and mid 1980s. Average rental payments for efficiency, one, two and three bedroom units increased approximately 70% during the period, while four or more bedroom units increased almost 100% during the period. This translates into an average annual increase of approximately 8% for all units. The rate of increase since 1988 has slowed as vacancy rates have increased and new units, generally higher priced, have been added to the market. Rents in older units have not increased over the past year or longer, and incentive programs, (ie. little or no security deposit, or first month free rent) have been underway to compete with newer units offering more amenities.

During the same period, fair market rents (FMR) for two bedroom and smaller units increased by over 50%, while three bedroom units increased by almost 100%.

When comparing fair market rent levels as published by HUD with updated income data provided by HUD, very low income renters have a significant affordability gap in their ability to find units with rent levels at or below 30% of income. Department of Social Services (DSS) rent allocations and Aid to Dependent Children (ADC) payments are insufficient to cover rental costs within the City.

Information from the 1990 AHS reflects a significant percentage of renter household paying more than 30% of their income for rent.

<u>Tenure</u>	<u>paying > 30% of income for housing</u>	<u>Number of units</u>	<u>paying > 50% of income for housing</u>	<u>Number of units</u>
Owner	6.6%	1286	.75%	146
Renter	35.9%	8082	13.9%	3152

Sources: 1990 Ann Arbor Household Survey

Information from the 1990 Census reflects the following statistics for share of income spent on housing:

<u>Tenure</u>	<u><20% of income</u>	<u>20-34% of income</u>	<u>35% and over of income</u>
Owner	55.7%	33.7%	10.6%
Renter	25.7%	31.8%	42.5%

As cited by property owners, a significant reason for raising rental rates, other than property tax increases, and utility and maintenance cost increases, is the city's code enforcement system. Properties are inspected approximately every 30 months for conformity with the City's Housing Code, and because of regular changes, upgrades, and differences in inspection practices, property owners incur costs to correct violations. In a competitive market however, these costs are often unable to be passed along to the tenant as higher rents.

Affordability is by far the most common housing problem, particularly among extremely low-income renter (those with incomes less than 30% of median income). According to 1990 Census information:

- ∃ 38% of all renters pay more than 30% of their income for rent
- ∃ 18% of all renters pay more than 50% of their income for rent

<u>NATIONALLY</u>		<u>ANN ARBOR</u>	
Extremely low-income renters (<30% of median)			
∃	73% pay more than 30% of income for rent	∃	84% pay more than 30% of income
∃	50% pay more than 50% of income for rent	∃	75% pay more than 50% of income

For very low-income renters (those with incomes between 31 to 50% of median income), the following information is reported:

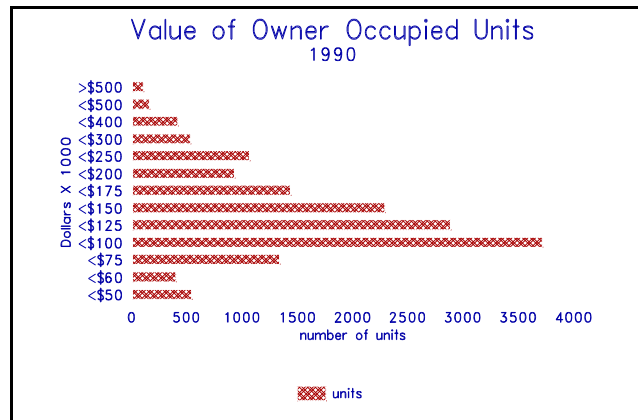
<u>NATIONALLY</u>		<u>ANN ARBOR</u>	
Very low-income renters (31%-50% of median)			
∃	70% pay more than 30% of income for rent	∃	82% pay more than 30% of income
∃	25% pay more than 50% of income for rent	∃	39% pay more than 50% of income

Information from the 1990 Census reflects a median value of \$116,400 for owner occupied housing within the

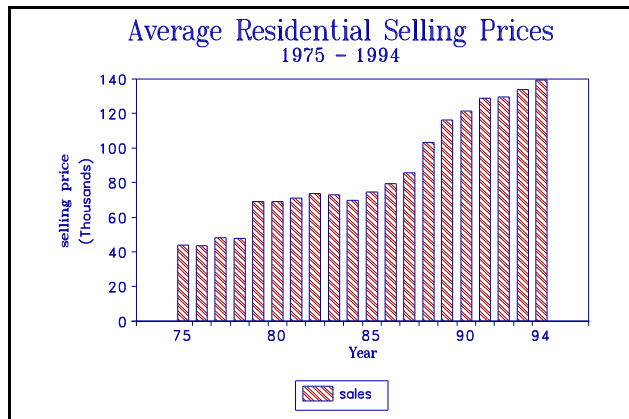
city. Less than 6% of the total number of owner units have a value less than \$60,000, while 37% of the units have a value of \$100,000 or less.

Relatedly, statistics published by HUD for Washtenaw County showed that in 1988 almost 85% of the renter households could not afford the average home sold in the city based on their income and standard lending ratios. While this statistic does not assume that every renter household desires to become a homeowner, it does reflect the tremendous financial gap that continues to widen between renter and owner households.

Statistics for owner occupied housing also reveal steady increases during the 1980s. AHS information reflects increases in average mortgage payments of over 66% during the period. Average sales price of single family homes within the city reflect similar increases as the 1980 average price of \$69,024 rose to \$121,366 by 1990 and almost \$140,000 in 1994.



If current trends continue, the costs for single family homes will be well beyond the reach of many households in the 1990's. According to information provided from the Ann Arbor City Assessor, a review of different neighborhoods in the City reveals that the least expensive single family housing is in the Stoneybrook area (tract 4146) with homes in the range of \$50,000. Other lower priced neighborhoods include; Pontiac Heights (portion of tract 4028) - \$60,000 to \$70,000; the near Northside (portions of tract 4021) \$60,000 to \$80,000; Garden homes (portions of tract 4032) - \$80,000; Platt/Marshall (portion of tract 4051) - \$65,000 to \$75,000; Harpst/Marlborough (portion of tract 4046) - \$65,000 to \$75,000; Pittsfield Village (portions of tract 4054) - \$50,000 to \$70,000; East Ann Arbor (tract 4051) - \$65,000 to \$90,000. In each of these neighborhoods, prices increased approximately 10% between 1993 and 1994. With continuing housing assessments and prices increasing these few remaining areas of the city will quickly become beyond the reach of first time buyers or low income individuals.



These increases have been particularly difficult for seniors and other fixed income homeowners as taxes and maintenance costs continue to increase. Programs targeted to individuals to allow them to remain in their homes become important to these groups.

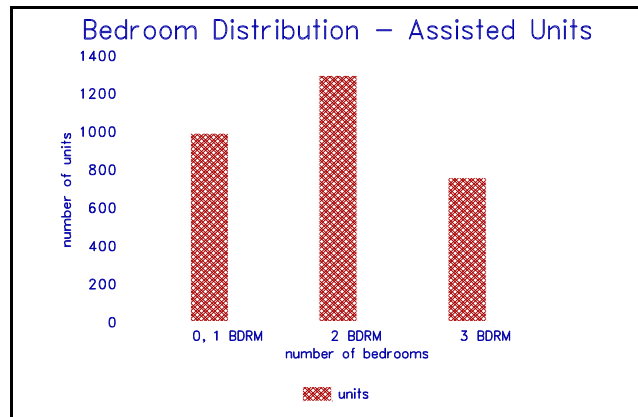
Vacant land costs rose steadily during the 1980s and will continue to rise as the supply of available residential land continues to decrease within the city limits.

During the periods of growth, the city was not constrained by a lack of appropriately zoned land for multiple family housing. The City's Master Plan identified many areas of the City where multi-family housing could be built. It appears that actions over the past 25 years on the part of study committees and the Planning Commission to decrease allowable density and require special approval for group housing have had the effect of limiting the opportunity to increase the housing supply by providing higher density housing. These actions are often supported by surrounding neighborhoods using the argument of the need to maintain neighborhood character. These restrictions have also had the effect of making it extremely difficult to develop additional cooperative housing, fraternities or sororities or other group living arrangements. While some multiple developments may be proposed in the City because of some revisions to the Central Area Plan, it is more likely that new multiple construction will occur on the peripheral areas of the city.

ASSISTED HOUSING

Of the City's 44,000 dwelling units in 1993, 3076 units are assisted, representing 6.9% of the total. 2954 or 96% of the assisted units are rental units. The bedroom distribution of assisted units generally reflects the over-all rental bedroom distribution.

The Ann Arbor housing market has been both positively and negatively impacted by several federal and state programs directed at the city. In the late 1960s and early 1970s, federal funding was provided for the City's Concentrated Code Enforcement Program which provided funding for inspection and repair for substandard housing. This program was targeted in Census Tracts 4007 and 4032 (Fountain, Felch, Spring Streets) which was an area of older, dilapidated housing stock, predominately occupied by minority and senior households. Improvements were made to individual homes to enable low income homeowners to remain in their homes. Over time, the neighborhood has shown a significant decrease in minority populations, and a substantial upgrading of the housing stock. This "gentrification" has further reduced the supply of affordable homeowner units for lower income families and particularly minority families. Included as **Appendix B** is an Assisted Housing Inventory as well as a map **Appendix C** of individual complexes.



The late 1960s and early 1970s also saw the development of new rental and owner subsidized housing. Large townhouse type developments (Colonial Square, University Townhouses, Forest Hills, Arrowwood, Pinelake Village) were constructed on the periphery of the city and became cooperatives for low income families. As the proportion of minority residents in several of these cooperatives reached levels significantly above city-wide averages, elementary schools became racially impacted and the school district was forced to change school boundaries and provide transportation exchanges with other schools. Adjacent neighborhoods also began to feel the effect of these large developments, as traffic levels, demand for open space and activity levels increased. During the same period, the City was developing its own public housing and decided to scatter the family developments in several different areas of the city, rather than concentrate them in one area. Smaller projects of 20 to 30 units were constructed in six different neighborhoods. Within the Bryant neighborhood, Census Tract 4146, 260 single family units were built under the HUD 235 program for homeownership. Although over 70 vacant, boarded-up units were reported in 1976, the neighborhood has slowly evolved into a working class neighborhood, with approximately 70% of the single family units owner occupied and 30% rental.

Although few large tracts of land remain in the city which are capable of developments of 200 to 300 single family units, the Turnberry development (tract 4055) began construction in 1990 with initial plans for over 200 new 1000 sq. ft. units at prices below the existing median value. However, because of market forces wanting amenities and additional square footage, sales of Turnberry unit reported in 1994 averaged \$125,000 for a 1600 sq. ft. home. While these units will not be affordable to low income families, they may be some of the least expensive new units brought to the market.

MINORITY AREAS

The areas of the City which have had concentrations of minorities and lower income families have changed over time but still reflect concentrations relative to other areas. The area within Census Tract 4007, the southeast portion of tract 4032 and the lower portion of tract 4021 have traditionally had a higher percentage of minority, lower income, and senior populations. Subsidized housing developments have also made portions of tracts 4042, 4028, and 4146 concentrations for minority, primarily Black households. Census tracts dominated by university student and family housing, such as 4022, 4026, 4002 also reflect lower income and minority populations, primarily Asian. A significant increase in the Asian populations occurred between 1980 and 1990. This increase correlates closely with the increasing number of Japanese businesses locating in the community and the University's 300% increase in enrollment of Asians over the same period.

The out-migration of Black households from the older parts of the city as a percentage of total households in

the area is listed below (See Census Tract map - **Appendix F**):

<u>Census Tract</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>
4007	45%	25%	20%
4021	16%	12%	13%
lower 4032	56%	45%	38%

Relatedly, the in-migration to the peripheral areas of the city and the cooperatives has increased over the same twenty year period:

<u>Census Tract/Coops</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>
4146	NA	36%	41%
Arrowwood Hills	38%	62%	63%
Colonial Square	13%	22%	20%
Forest Hills	NA	33%	34%
Pinelake Village	NA	69%	83%
University Townhouse	17%	27%	19%

Source: U.S. Census Reports

Rehabilitation programs continue to target Census Tracts 4007 and 4146 as over 50% of the current cases are in these areas. Additionally, rental properties in these areas are likely to be more affordable to lower income renters and are therefore more likely targeted for rental rehabilitation assistance.

As federal funding for new construction decreased, MSHDA was able to finance several assisted projects in the City in the late 1970s and into the 1980s. Rent-up studies completed for these projects revealed that a majority of families that moved into these new developments had previously lived in the city and were moving to take advantage of new facilities with affordable rental levels.

During this same period, Community Development Block Grant funds were being used to rehabilitate owner occupied units to enable lower income families to remain in their homes. While many communities documented renovation and rehabilitation programs as a reason for the "gentrification" of a neighborhood, the City experienced no significant or increased turnover in the units rehabilitated as a result of improvements completed. While the rehabilitation program is available city-wide, a large number of homes have been completed in the older housing stock in Census Tracts 4007, 4032 (Spring, Fountain, Felch area), as well as in tract 4146 (Stoneybrook) where the single family houses were built in 1970-71 under the HUD 235 program. Interestingly, it is these two areas that have some of the lowest priced housing in the City, and areas where first time homebuyers are likely to seek housing. Acquisition and rehabilitation programs developed by non-profit organizations may target these areas for new homeowners.

HOUSING UNITS LOST

A review of building records showed that between 1980 and 1994, 112 rooms and 87 units were lost in the downtown area because of either new office construction or conversions, or other non-residential projects. An overwhelming majority of these units were affordable to lower income individuals. During the same period, 63 rooms and 95 units were created in the downtown area, however only the 63 new SRO units provided at the "Y" were within HUD Fair Market Rents. The 5 units created by Avalon on W. William are affordable to very low income residents. As the downtown continues to redevelop, and the supply of vacant land diminishes, increased pressure will be placed on existing residential areas, and residential transitional areas for demolition or conversion to other use in order to capitalize on the highest and best use principles of land development. The Central Area Plan Update, approved by City Council in October, 1992 includes recommendations relating development pressures and its effects on affordable housing.

CONVERSIONS

The conversion of apartments or townhouses from rental to owner/condominium or cooperative can be a significant problem for low income, elderly, or disabled persons. Conversions can reduce the rental housing stock and inconvenience renters by forcing them to move to other units. As of May, 1994, 3005 condominium units were available in Ann Arbor. Of this total, 960 have been converted from rental or office use. It is likely that many of the occupants of the larger condominium projects (Riverhouse, Riverside Park Place, Tower Plaza, Walden Hills) were middle or upper income renters who wished to take advantage of tax breaks and management efficiencies. Based on the number of conversions to the total rental housing supply, condominium conversion as a loss of affordable rental housing to date does not appear to be a significant problem in the city.

Over the years, several discussions have focused on the possible sale of the City's public housing stock to the private market. However, there has never been strong support for this concept. Continuing efforts are being made by tenants at the public housing sites to be more involved in management, maintenance, tenant selection, and other issues, but serious efforts do not seem to be underway to consider tenant purchase of units.

Part 7

BARRIERS TO AFFORDABLE HOUSING

Much of the information in the Consolidated Strategy and Plan identifies Ann Arbor as a community with high land values, high cost of owner and renter housing, high rental rates, limited supply of vacant land, and high median income. Although Proposition A approved by the voters in 1993 reduced property taxes somewhat as they related to school financing, the City tax rate and manner of assessment still results in high property taxes. All of these factors result in housing being costly to develop, maintain and improve.

In the area of administration, the City has a Housing Code and inspects rental properties every 30 months to insure decent, safe and sanitary conditions. The City also has adopted the BOCA code and inspects all new construction and renovations for compliance. Costs for permits and inspections are assessed to owners. Currently, there are no waivers or reductions identified under the code except in individual projects approved by City Council. All new projects and rezoning must be submitted to the Planning Department for review and then forwarded to Planning Commission for approval before going to City Council. In March, 1992, the Planning Commission and City Council approved changes to Chapter 55 (Zoning Ordinance) of the City Code relating to the development of affordable housing. The change added to the reasons for granting "Planned Project" status those projects which would expand the supply of housing for lower income households.

The state enabling legislation provides for tax exemption from all property taxation of housing developments for persons of low and moderate income, financed with a federally-aided or authority aided mortgage or advance or grant or with an allocation made by the Michigan State Housing Development Authority (MSHDA) of low income housing tax credits under Section 22b. The Act provides for an annual service charge in lieu of taxes of **10%** of the annual shelter rents. Chapter 19 of the Ann Arbor City Code provides for tax exemptions for housing projects. In 1968, City Council voted to exempt only senior housing projects. Four hundred and thirty-two (432) senior apartment units (Parkway Meadows - 210 units, Cranbrook Towers - 202 units, Mill Creek - 20 units) are currently exempt and pay 4% of contract rent as a service charge. The municipal service charge, according to Chapter 19 is calculated as 4% of the contract rents (as defined by the rules pursuant to the Housing and Community Development Act of 1974, as amended) of the preceding calendar year less the amount paid to the City during the previous year for the annual service charge. In August, 1994, City Council approved a resolution relating to tax exemption for the Ann Arbor Inn project to permit renovation of 114 units for low income senior housing.

In May, 1994, the City Planning Department and Planning Commission recommended and City Council approved funding for a consultant to study the impact of City Ordinances on the development of affordable housing. In September, a consultant was hired to complete the study. The consultant held two focus group sessions with housing providers and the development community and preliminary results indicate that the present zoning ordinance and other city codes are not excessive in their regulation, but some changes may be beneficial in terms of process and administrative procedures. The consultant also found that a review of the zoning district classifications reveals few, if any, direct limitations on higher density residential use. Currently, language exists in the zoning ordinance to permit City Council to waive or reduce standards for Planned Unit Developments (PUD) and that with enhanced administrative procedures, this may be the best vehicle for increasing the supply of affordable housing proposals to the City. However, building codes and enforcement procedures were identified as major obstacles to affordable housing.

One of the recommendations of the March, 1995 preliminary report prepared by the consultant was to eliminate some of the restrictions on the creation of accessory apartments which could potentially increase density in single family neighborhoods without hindering quality. Although increasing density is often suggested as a way to increase housing opportunities, actions to down-zone a neighborhood have also resulted. Neighborhood opposition often surfaces when rezoning to permit higher density is proposed. Other preliminary recommendations included shortening the project approval timeframe by delegating site plan review to Planning Commission rather than City Council, revising parking regulations to establish one space for each residential unit regardless of type of residence, and other minor modifications of area, height and placement regulations.

While the City does not foresee any negative effects of the proposed public policy actions, it has been evident through many projects and programs that citizen input plays a major role in local decision making. The existing planning and development process requires public notification and public hearings at various stages of activity. These designated opportunities will continue to be the primary mechanism to obtain public input.

The City of Ann Arbor is not operating under any court orders, consent decrees or sanctions.

**PART 8
FAIR HOUSING**

The City of Ann Arbor is committed to non-discrimination and equal opportunity as it relates to housing opportunities. The City is committed to further the objectives of Title VIII of the Civil Rights Acts of 1968, Executive Order 11063 and the City of Ann Arbor Human Rights Ordinance. The City includes this compliance language in each of its contracts with entities receiving federal or local funds and requires housing nonprofits receiving federal funds to execute an Affirmative Marketing Plan.

The Human Resources Department (HRD) oversees the enforcement of the City's Human Rights Ordinance and receives and investigates complaints. The HRD has been reporting complaint information annually to the Community Development Department, including number of complaints received, the number that were housing related, nature of complaint, and results of investigations. Also reported were the number of complaints referred to the Michigan Department of Civil Rights.

The following is an analysis of the complaints received by the City's Human Resources Department. The figures reflect total complaints, housing related complaints, number of complaints referred to the Michigan Department of Civil Rights, and number of those that were housing related:

<u>Year</u>	<u>Total Complaints</u>	<u>Housing Complaints</u>	<u>MDCR Complaints</u>	<u>MDCR Housing Complaints</u>
1994/95 (part)	6	0	102	3
1993/94	15	6	163	4
1992/93	12	1	102	
1991/92	13	3	131	3
1990/91	16	4	125	5
1989/90	12	1	112	7
1988/89	15	3	145	3

The steps needed to complete an analysis of impediments to fair housing choice include a review of the City's policies, procedures, and practices that affect the location, availability and accessibility of housing and the current residential patterns and conditions related to fair housing choice.

The assessment would review four variables:

- ☐ analysis of complaints registered with the City's Human Resources Department and how they were resolved;
- ☐ analysis of complaint activity reported to the Michigan Department of Civil Rights from within the City of Ann Arbor and how the complaints were resolved;
- ☐ analysis of complaint activity reported to the Fair Housing Center of Washtenaw and how the complaints were resolved;
- ☐ assessment of testing activity conducted by the Fair Housing Center of Washtenaw

Additionally, the assessment would consider public policies regarding zoning and building codes which may restrict any particular group; would include interviews with realtors, rental agents, builders as to their knowledge of fair housing laws and fair housing choice; demographic analysis of census tracts, census blocks which reflect any patterns; analysis of policies of agencies receiving federal and local funds as to whether they are following fair housing practices.

The City has contracted with the Fair Housing Center of Washtenaw in the areas of testing, advocacy and referral services to residents of the community. Since the Fair Housing Center was opened in 1992, the number of complaints received has increased from 69 in 1992, to 118 in 1993, to 139 in 1994. While only 36% of the complaints in 1994 were within the City of Ann Arbor, the Center is looking to hire new testers to provide victims of discrimination with independent evidence needed in pursuing claims. During this period, complainants received settlements totaling over \$180,000.

The City is also a depository for Home Mortgage Disclosure Act (HMDA) data and has assisted local groups in obtaining information and reviewing results. Although there are several areas of the City which would be considered "areas of minority (African-American) concentration," there does not appear to be evidence that lending is not underway in these areas.

Impediments to Fair Housing Choice

According to 24 CFR Parts 92 and 570.487, the impediments to fair housing means "any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices or any actions, omissions, or decisions that result from the effects of a policy or law which restrict housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin." The impediments may be in the following areas:

- ⊗ sale or rental of housing and real estate practices
- ⊗ housing brokerage services
- ⊗ provision of financing assistance for housing
- ⊗ public policies relating to building requirements, zoning, land use policies, provision of municipal services
- ⊗ administrative policies concerning community development and housing activities
- ⊗ public policies which restrict resources to areas of minority concentrations or coordination between agencies providing services to these areas
- ⊗ planning, financing and administrative actions relating to the provision and siting of public transportation and supportive social services that may inhibit or concentrate affordable housing opportunities for persons with disabilities

In January 1993, The Fair Housing Center of Washtenaw County produced a report "Loan Denied" on residential lending decisions by financial institutions in Washtenaw County based on an analysis of 1991 Home Mortgage Disclosure Act data. The report contends that there is on-going discrimination that African-Americans encounter when applying for mortgage and home improvement loans in Washtenaw County. The report states:

"The racial discrepancies revealed in this report point to the need for more intensive enforcement of fair housing laws, more explicit corporate policies against discrimination, more effective training for employees, a commitment by the financial institutions to provide the lending products needed by the African-American community, and a critical review of the standards used to evaluate applications for residential loans."

The report also identified several local initiatives underway. They included: local lending institutions offering loan products that are more accessible to low-income residents; Altering of underwriting criteria; and the steps taken to establish the Community Credit Initiative (CCI). Six area banks will each contribute \$250,000 for a total of \$1,500,000 for funding of the second phase targeted toward low-income housing. The first phase of CCI provides funds for small, minority and/or female-owned business loans.

The City has found no evidence of impediments to fair housing choice. Actions which support this information relate to the following:

- ⊘ The City of Ann Arbor has an approved Human Rights Ordinance and Human Resources staff to monitor and enforce the ordinance;
- ⊘ The City has provided funding to the Fair Housing Center of Washtenaw for supportive activities;
- ⊘ The City has worked with local nonprofits and the lending community in establishing the Community Credit Initiative to provide sources of financing for small businesses and low income borrowers;
- ⊘ The City has worked with nonprofit groups in identifying and approving site for new construction of housing for low income persons (Sequoia Place -L.S.S.M., Wildt Street project - W.A.H.C.);
- ⊘ The City provides assistance in its housing and human services programs to low and very low-income persons, including members of minority groups and female headed households;
- ⊘ The City provides materials to the public on federal and local fair housing laws and procedures.

PART 9 INSTITUTIONAL STRUCTURE

The City of Ann Arbor has the institutional structure and capacity to carry out the Consolidated Strategy and Plan described in this document. A network of nonprofit organizations is in place to provide housing and human services within the community. Additionally, the Community Development Executive Committee and the Housing Policy Board were created to advocate for and recommend projects and programs which benefit low-income residents to City Council. The City will continue to work over the next five years with the nonprofit providers, with the local lender, the County, and State governments to strengthen, coordinate, and integrate actions for housing, public/human services and economic development efforts. The City of Ann Arbor will carry out its strategy with the support and assistance of the following entities:

Mayor and City Council - Serves as decision making body for funding of implementation of the City's housing strategy and directs policies and programs to city departmental for implementation.

Community Development Department - Administer the Community Development Block Grant and HOME Investment Partnership programs as well as the Shelter Plus Care Program Grant in cooperation with Washtenaw County. The Department manages the various housing programs within the city and works closely with other City Departments to carry out the City's Consolidated Strategy and Plan, Housing and Human Services Policies. Applications for other federal programs included in the Plan will be routed through the Community Development Department for a review of consistency with the document. The Department also oversees the General Fund Housing Trust Fund.

Planning Commission/ Department - Adopted the FY 1991-96 CHAS as an element of the City's Master Plan, and endorsed the FY 1994-1999 CHAS. The Consolidated Strategy and Plan was also endorsed by the City Planning Commission in 1995. The Planning Commission reviews all new housing developments and provides reports to City Council on the impacts of providing housing for lower income families. The Planning Department will work with developers of proposed housing projects to insure compliance with zoning, site planning, and other development regulations. The Central Area Plan and West Area Plan contain sections of action strategies for the promotion of affordable housing.

Ann Arbor Housing Commission - Serves as the City's Public Housing Authority. Administers the management and operation of public housing, the Section 8 rental subsidy program, Project Self-Sufficiency, the Comprehensive Grant Program.

Building Department - Works to ensure compliance with all housing and building codes. Efforts continue to review code compliance without increasing the costs of

housing development.

Downtown Development Authority - Oversees and makes recommendations relating to the implementation of the Downtown Development Authority Plan. Recent efforts have focused attention on the development of additional downtown housing.

Other City Departments - Other City departments work cooperatively to evaluate housing and building codes and standards, historic preservation guidelines, development and regulations which may create barriers to the development of housing that is affordable to lower income persons and families. Staff efforts continue to make recommendations and implement plans on the departmental level to reduce barriers to affordable housing.

A. ADVISORY BODIES:

Community Development Block Grant Executive Committee: Serves as an advisory body to the City Council and the Community Development Department on allocation of CDBG and City General funds. This body has a strong citizen advocacy component, and represents the views of various population groups.

Community Development Waiver and Review Board: Reviews the activities, policies and administration of the Community Development housing programs. The Board reviews and recommends to City Council waive requests of the Housing Program Guidelines, hears grievances and any contractor disputes.

Housing Policy Board: Established in 1990, the Housing Policy Board serves as an advisory body to City Council, evaluating affordable housing initiatives, existing programs and policies relating to housing and makes recommendations to the City Council for approval. The Housing Policy Board makes recommendations to City Council for projects requesting Housing Trust Funds with administrative oversight provided by the Community Development Department. The Board's membership is comprised of developers, realtors, housing specialists, nonprofit representatives, housing advocates and financial experts.

B. PRIVATE INSTITUTIONS:

The participation of Ann Arbor's financial institutions in the City's Consolidated Strategy and Plan is essential for its success. The Community Reinvestment Act of 1977 requires that financial institutions actively ascertain the credit needs of the communities they serve and attempt to meet those needs within the framework of safe and sound banking practice. While some financial institutions have approved loans for low-income housing and rehabilitation efforts, greater participation is necessary. The City has participated with several nonprofit entities and local lenders on the development of the Community Credit Initiative of Washtenaw County in order to create loan pools to expand consumer access to mortgage and business loan financing. In the Spring, 1994, six area banks agreed to contribute \$1.5 million for small business loans and plans for low-income housing loans are being finalized.

C. NONPROFIT CORPORATIONS:

Ann Arbor has more nonprofit agencies providing services than most communities. While Ann Arbor's housing and human service providers had been constrained by lack of funds, the addition of HOME funds and support from the Ann Arbor Housing Trust Fund, LISC, the Michigan Housing Trust Fund, the Federal Home Loan Bank's Affordable Housing Program and other funding sources targeted toward affordable housing development has begun to produce results in the city. The demand for human services is great, and the resources for delivery of services are limited. The City has encouraged and funded nonprofit agencies to engage in housing development projects. There is some concern about competing priorities when a service provider takes on the role of housing developer, so increasing the capacity of non-profit organizations has been of great importance, with emphasis on creating or enhancing development of housing opportunity. Avalon Housing Inc., New Alternatives in Community Living and Washtenaw Affordable Housing Corporation have been designated as Community Housing Development Organizations (CHDOs) and have contributed to the supply of affordable housing within the community.

PART 10
GOVERNMENT COORDINATION

The City of Ann Arbor and Washtenaw County have been working together for several years to provide financial assistance to nonprofits in the acquisition of rental housing to be used as permanent affordable housing for very low income individuals and mentally ill individuals. This cooperation has also included agreements by the County's Community Mental Health Department to provide supportive services to the resident populations of these sites.

In 1985, the Interagency Housing and Shelter Task Force was formed as a mechanism for coordinating City and County governments and non-profit agencies to address the problems of homelessness. From this, the Washtenaw Interagency Shelter and Housing Council (WISH) developed as a body for shared planning, coordination, advocacy and needs assessment for homeless populations. The mission of WISH is to serve as the interorganizational and intergovernmental planning and coordination body for the development and provision of emergency shelter, transitional housing and affordable permanent housing opportunities and associated supportive services in Washtenaw County. The goal of WISH is to define and implement a coordinated, community-wide continuum of care for homeless individuals and families.

In 1994, WISH served as a foundation for the design of several collaborative multi-agency proposals to MSHDA for emergency shelter and transitional housing funding. Additionally, proposals were submitted to HUD for Supportive Housing Programs. The City, through the Community Development Department, Washtenaw County, through the Human Services Group, and non-profit organizations have been working together to respond to the increasing homelessness problem throughout the Washtenaw County area. Groups such as the banking community, property management companies, child care providers, employment training providers, substance abuse programs, child welfare programs, mental health and public health agencies, public schools, public housing authorities, local universities and colleges, the congregational community and civic organizations have worked with homeless service providers in support of initiatives to assure the availability of shelter, the creation of permanent housing and accessibility to effective supportive services for homeless populations throughout the community. These systems once functioned in a disconnected manner, they have been developed in a planful continuum of care.

Two examples of governmental and agency coordination have resulted in the award of two federal programs for city and county homeless populations. The City of Ann Arbor, in cooperation with Avalon Housing Inc., Washtenaw Interventions, the Shelter Association of Washtenaw County and in coordination with Washtenaw County Community Mental Health applied for and was awarded \$2,244,000 in funds under the Shelter Plus Care Program. Additionally, SOS Crisis Center was awarded \$1,300,000 from HUD Supportive Housing Grants to expand supportive services for homeless families through the "Washtenaw Family Support Network." This project will involve SOS Crisis Center/Prospect Place Family Shelter, Domestic Violence Project/Safe House, Salvation Army/Arbor Haven Program, Father Pat Jackson Teen Program and the Inter-Faith Hospitality Network.

The primary function of the WISH group has been to act as a vehicle for the development of a community wide homeless services continuum plan. This process identifies current services and program capacities and outlines the design of a needs-driven service continuum. The plan also identified areas requiring collaboration between projects and defines where system gaps exist. Identification of potential funding resources and the definition of the role for investors, banks, local businesses, and government funding in planning for the elimination of homelessness through creation of a seamless continuum of services and support.

These are also two examples of projects which evolved from a coordinated targeting of homeless individuals and families to provide a continuum of care. Outreach, intake, and assessment is provided by individual agencies, Community Mental Health, the County's Human Services Multi-Service Center and the United Way's Info-Line. Emergency shelter is provided by Prospect Place Family Shelter for families, the Shelter Association of Washtenaw for individuals, Ozone House for youth, Salvation Army's Arbor Haven for individuals and families, and SAFE House for battered women and children.

SECTION II. HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

PART 1

OBJECTIVES

The Consolidated Strategy and Plan emphasizes investments in housing, social infrastructure and human capital and continuum of care services. While physical improvements and infrastructure investments are very important in maintaining viable communities, the community development efforts highlighted in the document focus on housing and the social infrastructure because of the emphasis in funding targeted toward low-income residents. Most of the investments in the physical environment in areas such as street improvements, park renovation and development, water and sewer improvements will not be targeted toward low-income households or areas but will follow the Capital Improvement Plan and related documents assembled by City staff. These projects are clearly important to the community but will not involve the use of either Community Development or HOME funds and are therefore not detailed below.

The foundation of the Consolidated Strategy and Plan focuses on: housing as it relates to neighborhood improvement, stability, and viability; the social infrastructure as it relates to human investments to educate, empower and assist individuals to increase economic opportunity and improve over-all living conditions.

The importance of housing to the City of Ann Arbor is reflected by the City Council's approval of a Housing Policy in July, 1989. Key principles of the Housing Policy include the provision of an adequate supply of decent and affordable housing, the preservation of the City's housing stock, the promotion of neighborhood development and redevelopment, and the encouragement of homeownership. The Consolidated Strategy and Plan confirms the policy principles to seek to establish general objectives for increasing housing options and economic opportunities for lower income persons and families. Recommendations for meeting these objectives are based on an evaluation of the strengths and weaknesses of the delivery system in Ann Arbor, and take into consideration the funding resources available.

By evaluating the needs and conditions in the community, the City has identified the following **objectives** over the next five years. They include:

1. **EXPAND THE SUPPLY OF AFFORDABLE RENTAL HOUSING AND PRESERVE THE EXISTING HOUSING STOCK.**
2. **INCREASE HOUSING ALTERNATIVES FOR HOMELESS PERSONS AND FAMILIES, AND FOR OTHER PERSONS WITH SPECIAL NEEDS.**
3. **INCREASE HOMEOWNERSHIP OPPORTUNITIES FOR LOW-INCOME FAMILIES.**
4. **PROMOTE COMMUNITY VIABILITY AND A SUITABLE LIVING ENVIRONMENT TO IMPROVE SAFETY AND LIVABILITY, REDUCE ISOLATION, SUPPORT FAMILIES, SENIORS, SPECIAL POPULATIONS, YOUTH DEVELOPMENT AND INCREASE ACCESS TO PUBLIC/HUMAN SERVICES.**
5. **EXPAND ECONOMIC OPPORTUNITIES BY SUPPORTING PROGRAMS TO CREATE JOBS AND ECONOMIC SELF-SUFFICIENCY.**

The following pages identify Priorities for Assistance over the five year period from 1995 through 2000. The priorities for the various programs as identified on page 9, with "H" being the high priority for funding consideration, "M" medium priority, "L" low priority. A supportive narrative section is included to clarify the specific priority, individual activity or proposed project.

The narrative also includes the various objectives and recommendations for current and projected activities the City and the community can undertake to promote and develop a variety of affordable housing projects.

1. EXPAND THE SUPPLY OF AFFORDABLE RENTAL HOUSING AND PRESERVE THE EXISTING HOUSING STOCK.

REHABILITATION

Local rehabilitation efforts have used federal, state and local funding sources to rehabilitate low-income, owner-occupied housing units, privately-owned rental units, housing cooperatives, public housing units, and single-room occupancy units. The City's rehabilitation program provides landlords and homeowners with financing for code and energy improvements needed to bring units up to housing quality standards and beyond.

Rehabilitation programs should target the highest priority toward very low-income families and the elderly. Priority is also given to moderate rehabilitation of rental units for very low and low-income families. This does not mean that rental rehabilitation for low-income families is not a priority, but that the City of Ann Arbor gives greater precedence to assisting its very low-income renter population. Likewise, rehabilitation is identified as a priority for low-income homeless since the homeless population is overwhelmingly very low income. Rehabilitation of rental structures is proposed and includes the redevelopment/renovation of the Ann Arbor Inn for the low-income seniors.

A medium priority is assigned to rehabilitation of units for other households, including single occupants and unrelated student households because of the eligibility requirements of Federal or State assistance programs which affect this group's needs. The City should continue to enforce its housing code requirements to ensure the safe and sanitary condition of the rental stock which houses single and unrelated student households.

1.1 RECOMMENDATION: The City, through the Community Development Department, should direct moderate rehabilitation of rental units with highest priority to those units which will house very low-income families, homeless persons, persons with disabilities or persons with other special needs.

Priority H on moderate rehabilitation of rental units for very low-income families, homeless persons and persons with special housing needs will assist those households in Ann Arbor which have been defined as having the greatest unmet need.

Priority H should also be directed toward rehabilitation needs of the housing cooperatives as well as continuing to request funds for the modernization and improvements to the public housing units.

1.2 RECOMMENDATION: The City should seek other forms of funding for rehabilitation of existing structures by working with non-profit entities, local lenders, and other community based funding sources.

The Ann Arbor Housing Trust Fund has been established to provide financial support in the form of deferred payment loans, low interest loans or other forms of financial assistance to individuals, organizations or projects that create, retain, rehabilitate or preserve affordable housing. The City's HOME, CDBG and Housing Trust Fund will be used to write down acquisition and rehabilitation costs of projects to increase permanent affordability.

The City of Ann Arbor issued a Request for Proposals for redevelopment of the vacant Ann Arbor Inn. The City approved a Development Agreement in February, 1993 and has been working with First

Centrum Corporation on the project to convert the building into housing affordable to lower income seniors.

The City of Ann Arbor continues to work with Avalon in the rehabilitation of units to be used as rental housing for very low-income homeless and mentally ill individuals. As other opportunities for property disposition become available, the City should continue to work with local non-profits to develop alternative housing arrangements.

The City of Ann Arbor continues to work with WAHC in the rehabilitation of units to be used as rental housing for very low-income individuals.

Priority H to acquire and rehabilitate existing privately owned buildings by nonprofit organizations for use as transitional or permanent housing for very low income individuals and families. The City will continue to offer assistance for these projects.

1.3 RECOMMENDATION: The City should continue to give priority to energy conservation measures at the time of rehabilitation and coordinate with other available energy conservation programs.

The City had provided funding to the Ecology Center for weatherization programs and should continue to coordinate efforts with the local utilities' energy programs, and county-managed programs.

1.4 RECOMMENDATION: The City should establish a policy to prevent the demolition of existing housing or the conversion of residential uses into non-residential uses as a means of preserving the existing housing stock.

The City Council and City Planning Commission have adopted the Central Area Plan which makes recommendations relating to zoning changes and other planning issues. Demolitions and conversions to non-residential use are two areas in which policies have been developed to prevent the loss of affordable housing.

ACQUISITION

1.5 RECOMMENDATION: The City should play a leadership role in finding sites and encouraging non-profit entities, lenders and businesses to jointly sponsor both owner and renter development projects.

Priority H should be directed toward acquisition of vacant land, and acquisition of housing sites for use as affordable units for very low and low income individuals and families.

The Community Profile indicates a growing need for an increase in the number of housing units affordable to lower-income households. The proportion of rental households to owner households is much higher than the national average, and the 1990 Census figures reflect a substantial proportion of the renter population is experiencing housing cost burden. The figures also reflect the increasing inability for renters to acquire homes.

The need for low-cost rental and owner housing is especially acute among single-headed households with children, low-income families and persons with special needs, including persons with physical and mental disabilities and frail elderly persons.

NEW CONSTRUCTION

Federal resources have been very limited for new construction of affordable rental housing. High development and land costs have impeded new construction. However, it is evident from the Needs Assessment that there is a critical need for additional housing for very low and low-income senior citizens, very low income families as well as transitional and permanent facilities for the homeless in order to support their return to economic self-sufficiency within the community.

1.6 RECOMMENDATION: The City should support the construction of additional units for lower-income senior citizens.

In 1992, HUD approved the Lutheran Social Services of SE Michigan 202 Project (Sequoia Place) application for 56 units of affordable senior rental housing. The City approved the Planned Unit Development (PUD) rezoning in May, 1993, the closing occurred in August 1994 and construction began in September, 1994 with completion expected in 1995.

Priority M for additional new construction of senior units for very low income seniors.

1.7 RECOMMENDATION: The City should support the construction of additional three-bedroom and larger rental units for lower-income families.

The City seeks to identify land which may be appropriate for mixed use residential development for low and moderate-income families and individuals. The City has at various times reviewed the possibility of developing a request for proposals for a mixed use development on city-owned sites (City garages -N. Main, W. Washington) and may seeking affordable housing as a component of the developments.

Priority M for the development of new, permanently affordable rental housing, debt-free, if possible, by private for profit and non-profit developers with additional state or federal funds.

Numerous delays have slowed the construction of the 23 new units of public housing. The Housing Commission has secured several sites and is ready to proceed with construction while additional sites are located.

1.8 RECOMMENDATION: The City should support the construction or substantial rehabilitation of permanent and transitional housing units for homeless persons.

Priority M is for new construction of permanent and transitional housing units for homeless persons.

A survey of shelter providers suggests that while there are sufficient beds in shelters, individuals and families are in need of assisted living arrangements and programs for economic self-sufficiency counseling.

Existing shelter facilities should be surveyed for structural repair needs and applications prepared to various funding sources for the needed improvements. Ashley Place, operated by Shelter Association as the day shelter for homeless individuals continues to require rehabilitation. Rehabilitation of this structure is compatible with the City's priorities for assistance.

Construction is nearly completed on a new facility for The Domestic Violence Project as emergency and transitional housing for victims of domestic violence. Funding for the project was approved by a voter referendum and will be financed and owned by Washtenaw County. Upon completion, the structure will provide beds for 45 occupants.

Washtenaw County's Community Mental Health Department continues to study of the housing needs of homeless individuals who suffer from mental illness. Additional transitional and cooperative housing in Ann Arbor for the homeless mentally ill will be supported by the City.

RENTAL ASSISTANCE

Because most renter households simply cannot afford to purchase a home in the city, one path to easing the housing cost burden for lower-income households is through rental assistance, which has been established as a high priority. Realistically, there are few lower-income renter households in Ann Arbor which would not benefit from some level of rental assistance. However, a lower priority for rental assistance is given to very

low-income and low-income elderly households, due to their high ownership to rental ratio. A lower priority for rental assistance is given to very low-income single person households and no priority is given to low-income single person households because of the eligibility requirements of federal or state programs to support such assistance. A high priority is given to other very low-income persons with special needs. Slightly lower priority is assigned to rental assistance for other low-income persons with special needs such as mental or physical disabilities. A lower priority will be given to rental assistance for these individuals because priorities for assistance in other areas can better address their needs.

1.9 RECOMMENDATION: The highest priority for rental assistance should be targeted toward very low-income families and individuals, homeless persons and other persons with special needs, and to low-income families and homeless persons.

Priority H is for rental assistance to very low-income families and individuals, homeless persons and other persons with special needs.

The City was awarded \$2,244,000 of Shelter Plus Care funds to be used as rental subsidies for approximately 76 homeless, disabled adults in the Ann Arbor community over the next five years. These funds will be administered in coordination with Washtenaw County and lead agencies Avalon Housing Inc., Washtenaw Interventions and The Shelter Association of Washtenaw.

The City has provided financial assistance to the Ann Arbor YMCA. SRO project Additional funds may be sought for partial subsidies to make rent levels more affordable to extremely low-income individuals.

Zoning revisions in the downtown and other areas of the city and conversion of structures into cooperative housing for very low-income single adults are ways to address downtown affordability problems. The Community Development, Planning and Building Departments can provide technical assistance in the conversion of downtown sites to cooperative housing.

The City should continue to provide technical assistance and other support to nonprofit organizations, the County, and others in federal applications for rental assistance and support programs targeted toward very low income individuals and families.

1.10 RECOMMENDATION: The City should seek to increase the pool of property owners accepting Section 8 or other rental subsidies.

The Community Development Department, the Ann Arbor Housing Commission and non-profit entities should work cooperatively to educate landlords about the Section 8 program. Education and assistance programs should be targeted to identify those with the most severe needs.

1.11 RECOMMENDATION: The City should explore options for developing a local rental assistance program.

A feasibility study would be necessary to explore possibilities for rental assistance support. When sufficiently capitalized, the Ann Arbor Housing Trust Fund could be one source.

A housing millage, if approved by Ann Arbor voters, could be another funding source for local rental subsidies. Although a housing millage was defeated by the Ann Arbor voters in 1986, it could still be considered as a potential source. Preliminary information was discussed in Fall, 1994 but no City Council action was taken. It would be helpful if local foundations could become involved in housing.

1.12 RECOMMENDATION: The City, through the Ann Arbor Housing Commission, should continue to submit applications for additional Section 8 Existing vouchers and certificates, particularly for units with 2 or 3 or more bedrooms to address the housing needs of very low-income families.

The recent update of the Ann Arbor Housing Commission Section 8 waiting list resulted in over 700 applicants sustaining their interest in section 8 subsidies, including almost 500 with indicated federal preferences (homeless, displaced, paying more than 50% of income for rent). These applications date from 1990 and 1992, as the Commission's waiting list has been closed since fall, 1992. Families, single households, homeless persons, and persons with special needs would greatly benefit from additional rental subsidies.

1.13 RECOMMENDATION: The City of Ann Arbor should urge that the Michigan State Housing Development Authority (MSHDA) request an increase in its Section 8 Existing Rental Allowance allocation for Washtenaw County.

The MSHDA/Washtenaw County Section 8 program provides an additional 167 rental subsidies to lower income families and individuals county-wide. Increasing the allocation will reduce the rent burden for some Ann Arbor residents.

1.14 RECOMMENDATION: The City of Ann Arbor should continue to work to preserve the existing assisted housing stock.

Two major assisted developments (Parkway Meadows and Cranbrook Towers) were refinanced in 1993 and 1994. Although nonprofits were involved in the refinancing, Section 8 assistance will continue for project occupants.

Although it is not expected that any of the assisted housing units in Ann Arbor will be converted over the next five years through mortgage prepayment or owner buy-out, the City should devise a strategy to address this issue and work to become a party in any negotiations in order to maintain the units as affordable to lower income households.

The City should also explore the development of incentives to encourage landlords to retain units at affordable levels. Low interest capital improvement loans through the Housing Trust Fund might be one way of ensuring continuing affordability.

The City should also work with the various housing cooperatives to develop and fund programs targeted toward keeping high occupancy by lower income families. Programs such as loan programs for move-in costs should be considered.

2. INCREASE HOUSING ALTERNATIVES FOR HOMELESS PERSONS AND FAMILIES, AND FOR OTHER PERSONS WITH SPECIAL NEEDS.

City and other local government officials, nonprofit organizations and the private sector have been concerned about the problems of homelessness for several years. Homelessness and other public/human service needs have been a high priority in allocating federal and local resources. The recently defined "continuum of care" concept by HUD is targeted as a policy for homeless care that inspires cooperation, encourages innovation, provides local control and demands coordinated action. The components of the continuum of care include: emergency shelter, transitional housing with supportive services such as mental health, job training, independent living skills, substance abuse treatment, family support, education and other services, and permanent housing.

2.1 RECOMMENDATION: The City should support entities which provide services to homeless families or individuals, and to very low-income families, individuals, and elderly persons.

The City of Ann Arbor has a history of supporting entities providing assistance to the homeless. Economic self-sufficiency can most easily be attained with the provision of supportive services such as medical care, employment training and child care.

Priority H to provide supportive services to homeless families or individuals, and to very low-income families, individuals, and elderly persons.

The Ann Arbor Housing Commission should investigate expanding its tenant service efforts to its Section 8 residents if funding can be located.

It is clear that any expansion of affordable housing within the city has to be a locally-led initiative. The new Federal funding programs require that localities provide substantial matching funds for any new development or rehabilitation. It has become essential that the private sector become more involved in funding housing.

2.2 RECOMMENDATION: The City of Ann Arbor should support the expansion of non-profit housing development entities which can effectively lead housing initiatives, including development, management and operations of affordable housing for low income residents within the community.

The Community Development Department continues working with local housing non-profits and provided capacity building support to organizations such as Avalon Housing Inc. and Washtenaw Affordable Housing Corporation. The City has also provided financial resources needed to assist in housing development.

The Local Initiatives Support Corporation has been effective in providing technical assistance for development of housing, and should be encouraged to maintain its presence in the Ann Arbor area and encourage local lender to participate in housing programs.

2.3 RECOMMENDATION: The City, with assistance from area service providers, the County and United Way should continue in the implementation of the continuum of care strategy for addressing and reducing homelessness within the city and county.

While the exact number of homeless individuals in the city or within the county is difficult to determine, service agencies report increasing numbers of homeless individuals and families. The City should take a leadership role, involving the Washtenaw County government, the Washtenaw Interagency Shelter and Housing Council (WISH), the Washtenaw United Way, LISC, and service providers in the development and provision of emergency shelter, transitional housing, and affordable permanent housing opportunities and associated services in Washtenaw County.

The City should continue and expand its support of human services to the homeless and to those who are at risk of becoming homeless.

The City should continue to support homelessness prevention programs as they are being carried out by human services providers and encourage collaborative efforts among providers.

The City should encourage efforts to assess homelessness in Ann Arbor, including more dependable estimates of the population, its characteristics and evaluate the services provided.

In January, 1995, the SOS Crisis Center was awarded \$1,366,663 from HUD over a three period to expand supportive services for Homeless Families. Through the "Washtenaw Family Support Network," SOS in conjunction with other providers will develop a shared therapeutic respite child care setting, targeting support for infants and toddlers, develop an innovative long-term, family-centered out-patient drug abuse intervention and support program for up to 12 homeless families each year with histories of chemical dependency, and develop a computer-based network linking key homeless service providers in the community to enhance the effectiveness of inter-agency efforts to assess, assist and relocate families in need of housing.

2.4 RECOMMENDATION: The City should work with area service providers, the county and others to

develop affordable housing opportunities for populations with special needs.

The City will continue to support applications, projects and programs such as ESG, Supportive Housing, Section 811, and Shelter Plus Care to benefit these special need populations.

The City of Ann Arbor is the only entitlement community in Washtenaw County, although the County is classified as a metropolitan county in Michigan. The remainder of the County falls under the State of Michigan's housing and community development grant programs. Consequently, there are opportunities for all residents of Washtenaw County in meeting housing needs. As federal and state program funds are made available, the City will both support individual program applications and/or coordinate applications for programs which benefit the special needs populations.

2.5 RECOMMENDATION: The City should encourage and participate in regional approaches to addressing the imbalance of jobs and housing, as well as transportation alternatives in order to develop affordable housing throughout the region.

The City should support the efforts of Washtenaw County relating to its study of housing issues/needs within the county.

The City should also continue discussions with the County concerning a regional approach for housing assistance, including an analysis of whether to apply for future federal programs as a metropolitan county.

3. INCREASE HOMEOWNERSHIP OPPORTUNITIES FOR LOW-INCOME FAMILIES.

The high ratio of rental to ownership households can be attributed to Ann Arbor's student population, which is not seeking ownership opportunities. However, a substantial portion of the renter population could benefit from more homeownership opportunities. The City has identified homebuyer assistance as priority #1 for low-income families with children.

3.1 RECOMMENDATION: The City should direct moderate rehabilitation with highest priority to existing very low-income homeowners, including elderly households and families.

Priority H on homeowner rehabilitation programs for the elderly in Ann Arbor as 70% of Ann Arbor's households over the age of 62 own their homes.

3.2 RECOMMENDATION: The City of Ann Arbor should direct homebuyer assistance toward lower (50%-80% of median) income families with children.

Priority H is for homebuyer assistance programs to provide funds for down payments or other eligible assistance while working with local lenders or MSHDA.

Opportunities for homeownership for low-income first-time homebuyers can be found in the Bryant neighborhood. Ongoing efforts have been made to ensure affordability in the Bryant neighborhood through rehabilitation programs. Non-profit homeownership efforts can also focus in this geographic area.

The City has provided financial assistance to Habitat for Humanity for land acquisition and infrastructure improvements for first time homebuyers as a means of providing homeownership opportunities. Volunteer support, private donations and sweat equity involvement of the families are also necessary to complete each unit. The City should continue to work with Habitat in seeking other sources of funds.

The Michigan Initiative is a partnership among the State, the Federal Home Loan Mortgage Corporation, Michigan lenders, private mortgage insurers and community groups to help families purchase homes. Homebuyer education is a crucial component of this program.

MSHDA provides low cost home improvement loans to qualified homeowners. The Community Development Department can direct and assist homeowners in utilizing this funding source.

Local financial institutions have been solicited to provide a variety of loan programs to eligible households as part of the Community Reinvestment Act responsibilities and the Community Credit Initiative Program.

3.3 RECOMMENDATION: The City continue funding programs which assist eligible seniors and low-income homeowners in targeted property tax relief programs.

The Ann Arbor Foreclosure Prevention Fund was established in 1992 to provide loans to city residents for whom property tax sale or mortgage foreclosure is imminent. In 1992-93, four households were assisted while in 1993-94 five households were assisted.

3.4 RECOMMENDATION: The City of Ann Arbor should continue to work to promote the involvement of public, private, and non-profit entities in housing ownership.

The Washtenaw Affordable Housing Corporation (WAHC) and the Community Development Department should continue to work in tandem with area financial institutions to rehabilitate homes and develop homeownership opportunities in affordable neighborhoods.

Efforts should also be encouraged by the Ann Arbor Area Board of Realtors and the local lending institutions for these homeownership programs. In 1994, a Homebuyers Workshop and a Home Equity Workshop, sponsored by local lenders, was attended by over 200 individuals. These efforts should be encouraged and continued.

3.5 RECOMMENDATION: The City should leverage federal, state and local resources for expansion of the homebuyer's program for public housing residents.

The Housing Commission's Homeownership Program was developed with 50 units for lower income families. Approximately 42 resident tenants successfully purchased their units, leaving 8 residents participating in the Homebuyer Program, with the option to purchase their units. The Community Development staff has worked with many of these new homeowners in order to complete rehabilitation assistance to their homes.

The Housing Commission continues to work with Unity RMC with the intention of providing tenant-ownership training to promote a greater role for tenant management of subsidized residential developments. The City strongly supports continuation of these efforts.

3.6 RECOMMENDATION: The City should encourage the availability and development of additional cooperative housing units for very low income persons.

Because cooperative housing is an avenue to affordable living, the City should work closely with the existing federally assisted housing cooperatives as well as the student Inter-Cooperative Council and the University on the development of additions to existing and/or new cooperative housing within the city for student families and low income families.

4. PROMOTE COMMUNITY VIABILITY AND A SUITABLE LIVING ENVIRONMENT TO IMPROVE SAFETY AND LIVABILITY, REDUCE ISOLATION, SUPPORT FAMILIES, SENIORS, SPECIAL POPULATIONS, YOUTH DEVELOPMENT AND INCREASE ACCESS TO PUBLIC/HUMAN SERVICES.

The city supports services which enable individuals and families to achieve and maintain stable housing and employment and in so doing, prevents the slide into poverty, homelessness and dependence.

4.1 RECOMMENDATION: The City should strive to enhance the opportunities of individuals and families to reach and maintain the maximum level of independence possible.

Support service such as childcare, personal counseling, legal assistance, medical and dental care and transportation contribute to the stability and well-being of low-income residents. The City provides financial and technical support to several programs in these areas.

4.2 RECOMMENDATION: The City should continue to support and provide financial assistance to human services programs based on the housing and community development needs priorities established.

Based on surveys, public hearings, needs assessments, and agency program reports, the following have been identified as high priority needs:

HOUSING

- Renter Housing (Acquisition/Rehab)
- Permanent Housing for Homeless Populations (Acquisition/Rehab)
- Homeless Needs: Transitional Facility (Acquisition/Rehab/Development)
- Owner Housing (Rehab)

HUMAN SERVICES

- Homelessness Prevention and Services
 - Emergency/Transitional Housing
 - Continuum of Care Supportive Services
 - Eviction Prevention, Tax/Mortgage Foreclosure Prevention
 - Housing and Family-related Legal Services
 - Job Placement/Services which expand Economic Opportunities
 - Crisis Intervention
 - Fair Housing Counseling
 - Tenant/Landlord Counseling
 - Substance Abuse Services
 - Related Transportation Services
 - Services to Youth
 - Primary and Secondary Substance Abuse Prevention
 - Conflict Resolution/Violence Prevention
 - Job Skill Development/Job Placement
 - Educational Support Services
 - Related Transportation Services

Crime Awareness & Prevention

Child Care Services

- Child Care for employed persons or persons seeking education or employment

Employment Training & Support Services

- Pre-employment/Job Readiness for Persons with Disabilities

- Job Placement

- Job Training-Apprenticeships

- Support Services/Counseling

- Related Transportation Services

Food Distribution

- Food Rescue and Distribution

- Prepared Meals for Homeless

- Prepared Meals for Homebound Elderly and Disabled

- Distribution of Groceries on an Emergency Basis

- Health Care
 - Dental Care
 - Adolescent Health Care
 - General Health Care Services
- Services to Seniors
 - In-Home Chore Services
 - Care Management Services
 - Support Services
 - Related Transportation Services
- Services for Persons with Disabilities
 - HIV/AIDS Counseling and Support
 - Independent Living Services
 - Related Transportation Services

ECONOMIC DEVELOPMENT

- Small Business Loans
- Business Attraction/Expansion

4.3 RECOMMENDATION: The City should strive to reduce the level of crime in targeted areas through crime prevention activities and youth development programs.

Crime, the fear of crime and the perception of crime all contribute to negative images for certain neighborhoods, housing complexes or geographic areas. While increased police protection or added police officers can act as a crime deterrent, crime prevention programs, youth programs, counseling efforts and other targeted programs can offer preventative measures in making for a safer community. The City supports several programs in these areas.

The City should work cooperatively with the Housing Commission to review security needs at public housing locations and consider either Police mini-stations at several locations or residence of police officers at selected sites. These efforts will require additional study but will add to the security, safety, and potentially improve the physical appearance of selected units.

4.4 RECOMMENDATION: The City should continue to support housing, economic development and human service providers with technical assistance which builds capacity, strengthens management and increases financial stability of the organization.

Strong and stable nonprofit organizations are a vital part of the City's Consolidated Strategy and Plan and the provision of services addressing the needs of low and very low-income residents.

5. EXPAND ECONOMIC OPPORTUNITIES BY SUPPORTING PROGRAMS TO CREATE JOBS AND ECONOMIC SELF-SUFFICIENCY.

5.1 RECOMMENDATION: The City should encourage economic opportunity through employment training and support services, small business development, and other job-related programs.

National and state economic indicators for employment and unemployment usually reflect Ann Arbor to be a healthy economy. However, there are often few meaningful job opportunities for low income persons. Other barriers such as lack of transportation or child care can also prevent employment. Employment training, job development skills training, job placement and other supportive services can provide a transition into long-term employment for low-income individuals. Several nonprofit agencies are supported by City General Funds and CDBG funds to provide these services.

6. OTHER RECOMMENDATIONS

6.1 RECOMMENDATION: The City and/or the County should explore the feasibility of selling bonds as well as targeting a small percentage of employee pension funds to generate funds to address the issue of affordable housing.

While a five year, 1/2 mil property tax millage proposed in 1987 to raise \$4 million for affordable housing was unsuccessful, the issue of affordability is affecting more and more citizens. A bond issue may provide necessary funding for addressing affordability.

The City should support and encourage the expansion of state programs such as Mortgage Revenue Bonds, as well as other federal and state programs targeted toward housing.

The City should present information to its Employee Pension Board for consideration of local investments in affordable housing projects.

6.2 RECOMMENDATION: The City should advocate at the state and federal level for additional housing development initiatives.

The Neighborhood Builder's Alliance, a State of Michigan entity, may be re-established at some future date for neighborhood redevelopment. The City should encourage its reestablishment or other similar programs and assist non-profits in seeking funding from this and other state sources upon availability. Additionally, the City should encourage leveraging of federal, state and local funds to maximize program efforts.

The City should seek funding support from local lenders and companies to encourage continued city participation in the Michigan Multi-Cities Local Initiative Support Corporation (LISC).

6.3 RECOMMENDATION: The City should evaluate staff requirements relating to its role in implementation of the Housing Policy and the Consolidated Strategy and Plan and allocate resources accordingly.

The Community Development Department has a permanent position within the City for a Housing Coordinator to assist in implementation of the City's Housing Policy.

6.4 RECOMMENDATION: The City should seek ways to reduce the costs for development and redevelopment in order to provide permanently affordable housing.

The Regulatory Subcommittee of the Housing Policy Board has been reviewing current development regulations and requirements relating to housing developments. Areas to be reviewed include: consideration of waiver or deferral of fees; reviewing the tax structure; providing infrastructure costs; re-instituting administrative procedures for some decision making; and relaxation of certain building or engineering standards.

Various city departments including Building, Planning, Community Development as well as the Housing Commission need to coordinate efforts relating to the delivery of city services and to advocate for affordable housing efforts.

6.5 RECOMMENDATION: The City should strengthen its housing education program to reduce community resistance to low-income housing development.

Local lenders and developers have a broad range of experience and skills which could be utilized for the development of affordable housing. The City can act to facilitate relationships among developers, lending institutions, area non-profits and intermediaries such as Local Initiative Support Corporation (LISC).

Local lenders can play a significant role through increased efforts under their CRA responsibilities.

6.6 RECOMMENDATION: The City should support neighborhood improvements with public infrastructure and public facility improvements, street, sidewalk and park facility improvements.

While many of the older areas of the city have aging infrastructure, the city has developed plans within the Capital Improvement Program to prioritize improvements and identify funding. Many local infrastructure projects are funding with local millage funds. Other projects are funding from special assessments, increase fees, or other federal or state grants. The City should continue making these physical improvements in all areas of the city.

PART 2

HOUSING AND COMMUNITY DEVELOPMENT RESOURCES

1. **FEDERAL PROGRAMS**

The City of Ann Arbor will coordinate the allocation of its entitlement resources from the Community Development Block Grant, and funding available from the HOME Investment Partnerships program. The City will continue to administer the Section 8 Existing Subsidy program, public housing and supportive services through its Housing Commission. The City was awarded \$2,244,000 in October, 1994 under the Shelter Plus Care Program and will be coordinating with Washtenaw County in administering these funds over the next five years.

A variety of funding sources have been used in the past to support housing activities in the City of Ann Arbor. The City expects to continue receive Community Development Block Grant entitlement funds from the Department of HUD. The City also expects to continue to receive funds for the HOME Investments Partnership Program. The City of Ann Arbor through the Housing Commission will receive annual federal contributions and operating subsidy for its Section 8 programs and conventional public housing, as well as Comprehensive Grant Program funds for capital improvements as well as some management improvement activities. The Housing Commission may apply for competitive funding under PHDEP (Drug Elimination) and Youth Sports Program (YSP) grants, as part of its anti-drug strategy. The Housing Commission, Unity RMC, and all duly recognized Resident Councils will likely apply for Technical Assistance grant funds as well. The City does not expect to apply or receive funding from the Department of Energy for energy efficiency improvements.

CDBG funding will be used to support housing, human service, and economic development activities for lower-income people. Ann Arbor uses the majority of its CDBG funding to support housing activities because need is greatest in this area. The Rental Rehabilitation program monies are no longer available but were used to support the continuation of housing rehab efforts within the City. Any program income received will be used for rehabilitation efforts. The HOME monies will be used for acquisition/rehabilitation projects. Matching funds will be obtained from the Ann Arbor Housing Trust Fund (General Fund). The City will allocate money from its own General Fund to support housing and human services.

Individual city-supported organizations will continue to make applications to the U.S. Department of Housing and Urban Development for funding from the Supportive Housing programs and it is expected that the Shelter Association of Washtenaw, SOS Crisis Center, Washtenaw Interventions and others will continue to apply for funding from these programs. Other non-profit housing service providers may also apply to the U.S. Department of Housing and Urban Development for funding under the Transitional Housing and Shelter Plus Care programs and other targeted continuum of care programs. Federal Emergency Management Act funding will also continue to be allocated to area agencies for emergency housing assistance.

The Ann Arbor Housing Commission is also developing a plan to allocate funds repaid since 1988 under its Homebuyers Program. These funds previously were returned to the Department of HUD but because of a change in federal regulations, may now be used locally for housing. A proposal is under consideration to use some of these funds for additional housing developments.

2. **NON-FEDERAL PUBLIC - STATE PROGRAMS**

Through the Michigan State Housing Development Authority, the State of Michigan allocates federal funds to area housing service providers under the McKinney Act. The Emergency Shelter Grant provides funding for physical rehabilitation of existing buildings and operating expenses for emergency shelters. Several of the emergency housing service providers have applied for Emergency Shelter Grant funding over the years and several have been awarded funding. The State of Michigan allocates federal Low-Income Housing Tax Credits to non-profit housing developers. Although Ann Arbor developers have made limited use of these funds, it is expected that they will be more utilized for future projects.

The State of Michigan allocates state funds to non-profit service providers for several housing programs. The Emergency Needs program provides security deposits and first month's rent along with foreclosure and eviction prevention funds. Independent Living Services funding is provided to Ann Arbor's youth shelter. The We-Care program provides funding for bedding, food and other necessities to shelter providers to establish short term housing in the event of severe weather and other extreme conditions. The Emergency Housing Apartment Program utilizes the AFDC or General Assistance emergency shelter per diem to provide emergency housing and permanent affordable housing.

The State of Michigan has reduced state funds for supportive programs in Ann Arbor through the Michigan Department of Social Services and through the Washtenaw County Community Mental Health Department. The State of Michigan is experiencing a tight budget and has reduced funding allocations for many of its social service programs.

NON-FEDERAL PUBLIC - LOCAL PROGRAMS

The City will continue to fund human services from its General Fund, to complement CDBG entitlement funds. The City will use resources from the Housing Trust Fund and other local resources to encourage non-profit organizations and local financial institutions to work together to provide more housing for lower income persons and families.

Ann Arbor residents will make use of some resources which directly affect housing affordability, but are difficult to quantify. The Michigan Homestead Property Tax Credit program provides a refundable tax credit to homeowners with high property tax burdens and to renters with high rent burden. The Michigan Home Heating Tax Credit provides a tax credit to low-income households based on income, exemptions and home heating costs.

3. PRIVATE RESOURCES

The Michigan Housing Trust Fund is a nonprofit financing tool utilized by local nonprofits in affordable housing developments. The Ann Arbor Housing Trust Fund will also provide financial assistance to non-profit developers in the form of matching grants. The Washtenaw United Way, the Ann Arbor Community Foundation and other local foundations will provide financial assistance to housing and human service providers in Ann Arbor.

SECTION III. ACTION PLAN: ONE YEAR USE OF FUNDS

I. INTRODUCTION

The City of Ann Arbor has prepared the FY 1999 One Year Action Plan which outlines activities that it will be funding using Community Development Block Grant (CDBG) and HOME funds received from the Department of Housing and Urban Development (HUD) in accordance with 24 CFR Part 91.220 of Title I of the Housing and Community Development Act of 1974, as amended. The Plan also includes quantifiable information on Ann Arbor=s progress toward meeting the five year Plan=s objectives. This is the fifth and final year of the City=s Five Year Plan.

With the assistance of these federal funds, the City of Ann Arbor envisions opportunities to leverage public, private and nonprofit funds to create programs and projects to address locally defined needs; to assist with the acquisition/rehabilitation of affordable housing for very low-income families and individuals working toward stability and self-sufficiency; to help meet the needs of the homeless, at-risk youth, the frail elderly, the disabled and other vulnerable populations; and to protect basic rights of equal opportunity, racial integration and fair housing. This vision is articulated in the City of Ann Arbor=s FY 1995-2000 Consolidated Strategy and Plan approved by the Department of Housing and Urban Development on May 25, 1995. The FY 1999-2000 planning process began in September, 1998 with a meeting of the Community Development Executive Committee and continued through a public hearing on December 21, 1998 before the Ann Arbor City Council, a series of public meetings from January through April, 1999 and culminated in a public hearing and approval of the One Year Annual Action Plan on May 3, 1999 by the Ann Arbor City Council.

II. PRIORITY NEEDS AND RESOURCES

Determination of the City=s priority needs occurred through a public process beginning in Fall, 1998. The priority needs are referenced in the following tables in Appendix C:

- Gaps Analysis
- Special Needs/Non Homeless
- Priority Housing Needs
- Community Development Needs

Federal resources expected to be available to address priority needs and objectives in the One Year Action Plan include CDBG and HOME Program funds. During FY 1998-99, the City received \$1,373,000 in CDBG funds and approximately \$125,000 in program income. The City anticipates receiving \$1,381,000 of CDBG funds in FY 1999 and projects \$125,000 in program income. Any unexpended prior year funds will be carried over to FY 1999 programs. The City also received HOME funds in the amount of \$651,000 in FY 1998-99 as well as approximately \$12,000 in program income. The City anticipates receiving \$699,000 of HOME funds in FY 1999 as well as approximately \$12,000 in program income.

Additional federal, state and local resources will be available within the community to the City and to other entities to support the programs identified in the Consolidated Strategy and Plan and One Year Action Plan. Dollar amounts are listed when known or estimated while other sources are based on competitive applications. Funding includes: year five of the five year \$2,244,000 Shelter Plus Care Program awarded to the City in October, 1994; Supportive Housing Program funds and Transitional Housing Program funds awarded to various nonprofit organizations (approximately \$1,844,447 in renewals), SAFAH funds, Emergency Shelter Grants (\$390,000) and other funding awarded through the Michigan State Housing Development Authority; Low Income Housing Tax Credits (\$3,047,877) awarded to local housing projects; Public Housing funding; Rental housing vouchers and certificates; support from Washtenaw County for human services and housing programs (\$250,000); Washtenaw United Way (\$3,833,909); Federal Home Loan Bank Affordable Housing Program funds; Local Initiative Support Corporation (LISC) funding (\$90,000); City of Ann Arbor General Funds (\$1,706,659); Ann Arbor Housing Trust Funds; City and County funding for the Tax and Mortgage Foreclosure Prevention Program and Homebuyer Assistance; and funding from local lenders under the Community Credit Initiative for housing projects. These funds leveraged with CDBG Entitlement and HOME funds will be available to address a range of needs identified in the City=s Consolidated Strategy and Plan.

III. ACTIVITIES

COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITIES

The City of Ann Arbor continues its efforts to seek and provide decent, safe, sanitary and affordable housing for its residents through various programs offered through federal, state, and local sources. The City continues to study, explore and propose local initiatives in order to increase the supply of affordable housing units within the city. The programs and projects identified will be implemented city wide, except where noted. The City of Ann Arbor, in order to carry out the following national and local Community Development Block Grant (CDBG) objectives, is proposing the following for its 1999-2000 program year.

PRIMARY NATIONAL OBJECTIVE

The Community Development Block Grant program operated by the City of Ann Arbor is designed to reflect the primary objective of developing a viable urban community, including decent housing, a suitable living environment and expanding economic opportunities principally for persons of low and moderate income.

CITY OBJECTIVES

The City has identified the following program activities and objectives for its CDBG Program:

1. Housing Rehabilitation
Eliminate blight, and conditions detrimental to health, safety, and welfare by coordinating and supporting housing assistance programs designed to conserve, acquire, rehabilitate, and maintain the housing stock primarily for very low income owner and renter households, including those with physical or mental disabilities, seniors and homeless. Improve and focus City initiatives, programs and support toward goals of providing more affordable housing for city residents identified in the City's Housing Policy and the Consolidated Strategy and Plan. Projects include single family rehabilitation, single/multi unit rental rehabilitation and rental acquisition/rehabilitation by nonprofit subrecipients.
2. Relocation
Provide relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, and nonprofit organizations in accordance with the Uniform Relocation Act.
3. Acquisition
Provide funds for acquisition of real property related to housing rehabilitation projects including sites on Arbdale, Pauline, Madison, W. Huron, and sites in the Arbor Oaks neighborhood. Other properties may be identified for subsequent review.
4. Public Facilities and Improvements
Provide funds for the rehabilitation and improvement of public facilities including acquisition, rehabilitation or construction of a homeless shelter, funding for infrastructure improvements related to a Habitat for Humanity project on Bens Street, and funding for rehabilitation improvements at the youth shelter Ozone House. Other projects may be identified for subsequent review.
5. Economic Development
Provide assistance to private for-profit businesses, including but not limited to loans, technical assistance, and other forms of support for any activity where the assistance is necessary or appropriate to carry out an economic development project.
6. Public Services
Provide for the continuation and improvement of human services targeted toward very low income individuals in order to improve their overall quality of life. Support programs in the following areas: special populations including older adults and persons with disabilities; assistance through employment-related services; a child care scholarship program for very low-income families; continuum of care services, health care for teens

parents and infants and legal services.

ACTIVITIES

The 1999-2000 activities have been identified for funding and listed as A Proposed Projects. It is estimated that over 98% of the new entitlement amount, or approximately \$1,353,000 will be used to directly benefit low and moderate income residents.

CDBG BUDGET

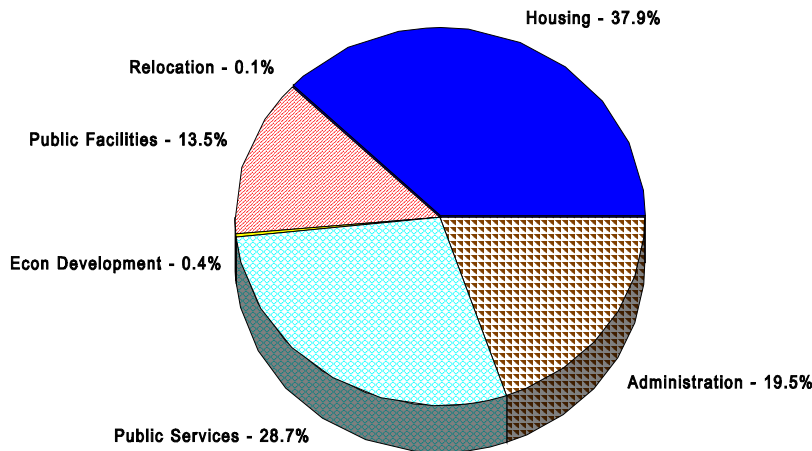
The City also expects to collect program income, which will be used for single family rehabilitation and have funds carried over from previous program years. The total projected available budget, by category, is as follows:

	1999/2000 Entitlement Amount	Projected 1998/99 Entitlement Residuals	1999/2000 Projected Program Income	Total 1999/2000 Budget
Housing Rehabilitation	\$ 458,300	\$ 590,000	\$ 125,000	\$ 1,173,200
Acquisition		65,000	0	0 65,000
Relocation	1,000	6,022	0	7,022
Public Facil/Improv.	187,000	229,278	0	416,278
Economic Development	5,000	0	*0	5,000
Public Services	396,000	0	0	396,000
Administration	<u>268,700</u>	<u>0</u>	<u>0</u>	<u>268,700</u>
CDBG Total	<u>\$1,381,000</u>	<u>\$ 825,300</u>	<u>\$ 125,000</u>	<u>\$2,331,300</u>

NOTES: * This activity should result in program income for the subrecipient.

Proposed FY 1999/2000

CDBG Budget



The Community Development Department oversees the City's Community Development program with funding from federal Community Development Block Grant and the City's General Fund. Project beneficiaries will meet HUD requirements.

RELOCATION/DISPLACEMENT

The City of Ann Arbor intends to cause no displacement to persons receiving assistance from the CDBG or HOME programs. The City recognizes that while it intends no displacement, situations may arise wherein

displacement and/or relocation or temporary relocation is the only viable method for providing assistance. The City will therefore provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of CDBG or HOME funds to acquire or substantially rehabilitate residential and nonresidential property in accordance with the Uniform Relocation Act. This document may be reviewed at the Community Development Department, City Center Building, 220 E. Huron Street, Ann Arbor.

AMENDMENTS AND/OR MODIFICATIONS

The City will follow 24 CFR 570.305 requirements if there is a substantial modification to this Plan. A substantial modification is defined as any modification that significantly affects the scope of services, purpose or beneficiaries of a project and that by itself or in combination with other changes is greater than 10% of the fiscal year CDBG entitlement amount.

MAP INFORMATION

The attached maps indicates the A Low and Moderate Income Areas of the City defined as Census Blocks with households below 51% of the HUD Adjusted Median Family Income. There are no geographic areas or areas of minority concentration where resources are prioritized. All projects/activities are prioritized as project specific and are available city-wide.

HOME PROGRAM ACTIVITIES

The HOME Investment Partnership Program was created by the National Affordable Housing Act of 1990 in order to expand the supply of decent, safe, and affordable permanent housing; to strengthen the ability of local government to provide housing; and to assure that federal housing services, financing, and other investments are provided to local governments in a coordinated, supportive fashion. HOME is designed as a partnership among federal, state and local governments and those in the for-profit and non-profit sectors who build, own, manage, finance and support low income housing initiatives. The Department of Housing and Urban Development (HUD) has established an FY 1999 allocation to the City of Ann Arbor of \$699,000. The City also expects to receive an additional \$12,000 in program income which will be allocated to acquisition/rehabilitation projects.

USE OF HOME FUNDS

The following are targeted HOME program activities with all acquisition/rehabilitation or rehabilitation funds targeted to projects benefitting very low-income renters.

Acquisition/Rehabilitation	\$594,150
CHDO Administration	\$ 34,950
Administration	\$ 69,900
HOME total	<u>\$699,000</u>

According to federal requirements, all projects must be located in the City. A brief description is included below which summarizes the activities and the process be used to determine projects.

Applications for HOME projects, using the Ann Arbor Housing Trust Fund application form, are solicited on an ongoing basis. The City has developed the Ann Arbor Housing Trust Fund Guidelines, application form, and process relating to reviews and approvals in order to stimulate the promotion, retention, and creation of long term affordable housing. The application is designed to provide individual project details.

The acquisition/rehabilitation component is designed to provide financial assistance (\$594,150 new funds plus \$12,000 program income) to nonprofit entities and others in order to maintain and provide safe, decent, and energy-efficient housing for very low-income households; to assist housing which serves individuals with special residential needs; and to increase and improve the utilization of the community's housing stock. The program will operate consistent with the city's Housing Policy and programs identified in the Consolidated Strategy and Plan. The program attempts to leverage other private and public funding in order to improve the housing stock, promote neighborhood improvement, and maintain affordable housing alternatives for very low-income households.

The program will assist neighborhood preservation by improving the housing stock and providing decent, safe,

and sanitary housing for very low-income people. The City follows criteria and requirements outlined in the Council-approved Housing Trust Fund Guidelines as amended. Any additional HOME requirements will also be met.

The program funds are available for acquisition/rehabilitation or solely rehabilitation of structures owned by for-profit, nonprofit entities, CHDOs or others. All property will meet Section 8 Housing Quality Standards (HQS) after rehab as well as local housing codes. Financial assistance will be in the form of deferred payment loans or low interest loans. The City will require owners to execute security interest liens for the amount of acquisition funds provided, agree to provisions identified in an affordability agreement, to be recorded with the mortgage document which references program requirements and reporting responsibilities and to execute an affirmative marketing plan. Rental units will be monitored annually to determine continuing affordability, occupancy and HQS standards compliance.

There are no specific target areas for the HOME program. Projects will be selected city-wide and will be evaluated based upon rehabilitation needs, bedroom mix, rental rates, income of occupants and number of very low-income occupants, and other HOME program requirements. Although projects will be considered from any area of the City, the areas where the median income does not exceed 80% of the City's median income as defined by HUD will be targeted. These neighborhoods have been selected from 1990 Census and local household survey data and generally include areas with older housing stock, concentrations of rental units, higher proportions of minority populations, and very low-income households. The units within these neighborhoods are generally affordable to lower income families.

The City will use criteria detailed in the Housing Trust Fund Guidelines. Additionally, rents will be affordable since tenants in HOME assisted units must meet income guidelines. Rents and income targeting will be enforced by the affordability agreement and will be monitored for 5 to 30 years depending on the amount of HOME funds expended.

A. RENT LEVELS - the following are maximum rent levels established by HUD for FY 1999 for HOME projects (figures include rent plus utility allowance):

	0 BDRM	1 BDRM	2 BDRM	3 BDRM	4 BDRM
High HOME rent	\$494	\$598	\$738	\$968	\$1085
Low HOME rent	\$494	\$598	\$738	\$895	\$997

B. INCOME LEVELS OF TENANT OCCUPANTS - As established by HUD, for buildings with three or more units, 80% of the units shall be occupied by tenants earning up to 65% of the area median family income, adjusted for family size [and pay no more than high HOME rents]; 20% of the units shall be occupied by tenants earning up to 50% of the area median family income, adjusted for family size [and pay no more than low HOME rents];

C. TERM OF AFFORDABILITY - The term of affordability for projects, as established by HUD, shall be based upon the amount of HOME funds invested per unit, but shall be a minimum of:

- <\$15,000 per unit - 5 years
- \$15,000 - \$40,000 per unit - 10 years
- >\$40,000 per unit - 15 years

D. MINIMIZE DISPLACEMENT - Projects which are currently occupied will be carefully reviewed to insure that tenants will not be displaced as a result of acquisition or rehabilitation, or that Uniform Relocation Act procedures are followed;

E. ECONOMIC AND FINANCIAL FEASIBILITY - Projects will be reviewed to ensure that a positive cash flow after rehabilitation is evident and that public funds have leveraged other private funds;

F. DISABILITY ACCESSIBILITY IMPROVEMENTS - Projects will be considered which improve accessibility for persons with disabilities.

Owners of projects which meet the above criteria will be encouraged to submit an application to the City. Projects which show an income-affordability gap will be further reviewed to determine the potential to provide additional subsidies in order to lower rent levels. Information reviewed for each project shall include: a program application form, documentation of ownership, tenant households characteristics information including income, lead-based paint notification, rehabilitation cost estimates, insurance certificate, and initial rent levels. An analysis of each project's financial feasibility will be completed to determine appropriate levels of financial involvement. All this information will be reviewed by staff and evaluated with any previous experience of the applicant, the proposed project time schedule, and the affordability provisions. The Project Review Subcommittee of the Housing Policy Board will also review the information and make a recommendation for funding to the Housing Policy Board. A final decision will be made by City Council.

All projects must be located in the City of Ann Arbor and upon completion must be decent, safe and sanitary and meet the Housing Quality Standards (HQS) as established by the Department of Housing and Urban Development, and the City's Housing Code. The Housing Program staff will also monitor projects during rehabilitation and upon completion and will reexamine rents, tenant incomes and compliance with HQS on a regular basis.

NONDISCRIMINATION AND EQUAL OPPORTUNITY

In accordance with the Regulations of the HOME Program, Section 92.351, and to further the City of Ann Arbor's commitment to non-discrimination and equal opportunity in housing, the City of Ann Arbor has established procedures to affirmatively market housing of five or more units. These procedures are intended to further the objectives of Title VIII of the Civil Rights Acts of 1968, Executive Order 11063 and the City of Ann Arbor Human Rights Ordinance. The City of Ann Arbor believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of race, color, religion, sex, national origin, sexual orientation, family status or disability.

This policy will be carried out by HOME assisted property owners through affirmative marketing procedures designed as follows:

A) INFORMING THE PUBLIC: Community Development Housing staff will inform the public, the property owners, and potential tenants about federal fair housing laws and the City's affirmative marketing policy by requiring the use of equal opportunity language in advertising by property owners, by targeted mailing, through information distributed at public meetings, to City Council and to various housing related groups.

B) RECORDS: Community Development Department will document efforts made by HOME program participants regarding affirmative marketing of units. The information will be kept for a ten year period from the date of project completion.

C) ASSESSMENT OF AFFIRMATIVE MARKETING EFFORTS AND CORRECTIVE ACTIONS: Annually, Community Development staff will assess the affirmative marketing program and determine how it is being followed, what outreach efforts have been made and identify any corrective action which may be necessary.

D) OUTREACH TO MINORITY AND WOMEN OWNED BUSINESSES: The City of Ann Arbor will continue in its efforts to recruit minority and female owned businesses into the HOME program. For rehabilitation, the Community Development Housing Program maintains a listing of contractors who are regularly solicited to bid on rehabilitation work. The City will also advertise larger projects in the *Ann Arbor*

News and contact known minority business associations. Efforts to involve minority and women-owned businesses will also be targeted through local entities under contract with the City to promote these goals.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

The City of Ann Arbor will make available at least 15% of the projected FY 1999 HOME funds for projects submitted by community housing development organizations (CHDOs). Past program funds have all been committed to nonprofits and CHDOs. This is in addition to the 5% identified for CHDO administrative funds. The City has provided financial and technical assistance to a number of existing housing services providers (subrecipients) and will continue to work to identify and encourage participation by these organizations. Avalon Housing Inc. and Washtenaw Affordable Housing Corporation have received operating support through CDBG funds, CHDO funds, Local Initiative Support Corporation (LISC) funds and other sources. It is expected that the CHDOs receiving HOME administrative support will be matching these funds from other sources. The city will continue to work with other housing providers, either as additional CHDOs or as housing subrecipients.

It is expected that the two active CHDOs identified above will participate in acquisition/rehabilitation projects involving either 1 - 4 unit residential structures, or larger 5 - 25 or 25-50 multiple unit structures.

MATCHING REQUIREMENT

The twenty-five (25%) percent HOME matching requirement for FY 1999 (\$148,537) is expected to be provided by the following sources: City General Funds to the Housing Trust Fund, foregone taxes through payment-in-lieu-of-taxes for eligible projects, supportive services funding to HOME occupied units, Washtenaw County grants to eligible projects and other funding grants to eligible properties. The matching funds will also be used for other affordable acquisition/rehabilitation housing activities.

FY 1999-2000 PROJECTS

Objective: Expand the supply of affordable rental housing and preserve the existing housing stock.

HIGH PRIORITY ACTIVITIES

The Community Development (CD) housing rehabilitation program is designed to process both single family and multi-unit rental cases based upon waiting lists, program priorities, and staff resources. The City expects to complete rehab of 25 single family homes with 8 extremely low income homeowner units (<30%), 15 very low income homeowner units (<50%) and 2 low income homeowner units (<80%) during the program year. - (CDBG-\$220,350 + \$125,000 in program income)

The CD staff also expects to work with local lenders in assisting 1 low income (<80%) homeowner in obtaining Michigan State Housing Development Authority (MSHDA) funds for rehabilitation. Continuing promotion and application solicitation is underway for these programs.

The Housing Commission under its CGP-706-98 grant expects to finalize the rehab at Baker Commons (64 unit elderly/disabled, very-low income complex) with the replacement of kitchen cabinets and counter tops. Other rehab work includes stairwell painting at Miller Manor (104 units); parking lot sealing and restriping at 3 sites (White/State/Henry, Miller Manor, & Baker Commons); 504/ADA compliant door replacement at Broadway; new toddler playground equipment replacement at four family sites (N and S Maple, Hikone, and Green), and new hot water tank installation, bathroom and kitchen fixture replacement at North Maple (20 units).

The Commission will submit its five-year improvement plan for continued funding for capital improvements to public housing under the Comprehensive Grant Program. The expected CGP-707-99 allocation is \$470,000. Site based meetings and other public meetings have been or will be conducted during the Winter-Spring of 1999 for 707-99 CGP submittal.

The City expects to subcontract with Avalon Housing and Washtenaw Affordable Housing Corporation to provide approximately 94 units of permanent affordable housing for extremely low-income (<30%) and very low-income (<50%) renters. This will be accomplished through the acquisition/rehabilitation of several buildings at several different locations - (HOME - \$594,150 + \$12,000 in program income)

Avalon Housing proposes to continue its rehabilitation program targeted toward 50 extremely low income (<30%) households with the rehab of its units on Arbordale, Glendale, E. Davis, W. Summit, N. Main, N. Ashley, Stimson and other new acquisitions.

Washtenaw Affordable Housing Corporation proposes to continue its rehabilitation program targeted toward 32 very low and low-income (<30% & <50%) households with the rehab of its buildings on Miller Ave and single family units in the Arbor Oaks neighborhood (<80%).

Although projects have not yet been identified, the City expects to continue working with private developers to package projects to meet the needs of low income renters. Permanent affordability is also a goal of any additional units provided through new construction.

Objective: Increase homeownership opportunities for low-income families.

HIGH PRIORITY ACTIVITIES

It is expected that 5 units of new construction for very low income (<50%) first time homebuyers with children may get underway by Habitat for Humanity during the program year. City General Funds will assist with land acquisition and CDBG funds will be used for infrastructure improvements for this project (CDBG - \$112,000)

Other programs related to homeownership opportunities by nonprofit agencies for cooperative residents and other lower income residents, with assistance from local lenders, may also result in approximately 10 units for low income homebuyers. The Washtenaw Homebuyers Program is directing these efforts (General Fund - \$10,000).

Approximately 7 extremely low and very low-income homeowners are expected to receive assistance from the General Fund supported Tax and Mortgage Foreclosure Prevention Fund to enable them to remain in their homes (General Fund - \$14,000).

Objective: Increase housing alternatives for homeless persons and families, and for other persons with special needs.

HIGH PRIORITY ACTIVITIES

The City proposes to serve approximately 100 extremely low-income (<30%) homeless individuals and families who will receive support services related to housing assistance through contracts with nonprofit organizations within the community. Additionally, approximately 100 very low-income individuals and families will receive other support services relating to their housing (CDBG - \$19,000).

Applications for additional vouchers and/or certificates are likely to be submitted by the Housing Commission as notices of funding availability are published since utilization of currently allocated certificates and vouchers has reached maximum funding capacity.

The Housing Commission continues work with the Washtenaw Intergenerational Shelter and Housing (WISH) group in committing units for homeless individuals assisted under the supportive services continuum plan.

Additionally, 20 very low income families are expected to continue to receive rental assistance through the Transitional Housing Program operated by SOS Community Services and approximately 150 families will receive assistance through Supportive Housing Programs.

Approximately 76 homeless, disabled residents will continue to receive rental assistance through the Shelter Plus Care program.

Objective: Expand economic opportunities by supporting programs to create jobs and economic self-sufficiency.

HIGH PRIORITY ACTIVITIES

The City also proposes to serve approximately 55 very low and low-income individuals through contracting for small business financing and technical assistance using economic development funding for priority activities through non-profit organizations (CDBG - \$5,000)

Objective: Promote community viability and a suitable living environment to improve safety and livability, reduce isolation, support families, seniors, special populations, youth development and increase access to public/human services.

HIGH PRIORITY ACTIVITIES

The City also proposes to serve approximately 5800 extremely low and very low income individuals in receiving City General Fund human services and Community Development public services funding for priority activities through non-profit organizations. (CDBG - \$396,000; General Fund - \$915,000).

The City believes that the proposed goals are reasonable given the resources currently available. These goals, however, are subject to the availability of additional federal and state resources and competitiveness with other projects. The programs affected by these constraints and competitiveness include Section 8 certificates or voucher applications, new construction rental programs, and new construction owner programs through MSHDA.

IV. OTHER ACTIONS

PUBLIC POLICIES - REMOVE BARRIERS TO AFFORDABLE HOUSING

The City's Housing Policy Board continues to review a variety of regulations and requirements relating to housing

developments. In July, 1996, City Council approved revisions to the City Code relating to providing payment-in-lieu-of-taxes (PILOT) for affordable housing projects for individuals at incomes less than 50% of median. This change helps to reduce operating expenditures for nonprofit housing projects in the city. Fifteen properties currently receive PILOT. The Board continues to study procedures for decision making regarding affordable housing and reviewing certain building code and engineering standards relating to affordable housing development. The City participated with the Ann Arbor Area Chamber of Commerce and Washtenaw County in hosting a Housing RoundTable in Spring, 1999 to address regional issues relating to housing. An Affordable Housing Plan process is also underway within the city to expand and preserve the supply of affordable housing units.

INSTITUTIONAL STRUCTURE

The City of Ann Arbor does not propose any significant changes to the existing institutional structure, including nonprofit organizations, public institutions and private industry as defined in the FY 1995-2000 Consolidated Strategy and Plan.

PUBLIC HOUSING IMPROVEMENTS

In October 1998, HUD confirmed the Commission's PHMAP score at 86, improving on its previous assessment, and maintaining its Astandard designation. The Commission has been maintaining about a 96% occupancy rate during FY99 without further funding assistance from the City. It is still striving to achieve a 97% or higher occupancy rate.

In December, 1998, the Housing Commission completed a three year Supportive Services Coordination grant from HUD, awarded jointly with the Plymouth Housing Commission. A one year renewal was applied for and awarded by HUD, and the Housing Commission obtained supplemental support service funding from the City of Ann Arbor to expand staff coverage. Renewal applications for FY99/2000 City and HUD funding are pending.

The Commission increased their allocation of Section 8 subsidies, with an award of 100 new units in December 1998, under the Mainstream Housing for Persons with Disabilities. This new allocation brings its Section 8 portfolio to 782. The Commission intends to apply for an additional 250 units, under a Welfare to Work Section 8 Notification of Fund Availability (NOFA). The utilization rate in Section 8 during FY99 has fluctuated between 90-95%.

PUBLIC HOUSING RESIDENT INITIATIVES

The Commission's first Drug Elimination Grant (PHDEP-96) is concluded, but was followed by a continuing PHDEP-97 grant in the amount of \$103,200 for ongoing community policing, prevention, and intervention activities, which will be winding up by June, 1999. Computer labs are fully operational and highly utilized at all four on-site resource centers. Ann Arbor Public Schools and the University of Michigan Information Systems is partnering with two sites to provide some program software, some site-based monitoring/tutoring, and Internet hookup and training. The Commission also was awarded a third PHDEP-98 grant in the amount of \$108,600 to continue its drug prevention and intervention strategies. The Commission will apply for continued DEP funding under new HUD guidelines.

The Commission has two resident organizations that have received HUD funding grants of \$100,000 each under the Tenant Opportunities Program (TOP). The Miller Manor Resident Organization has had its grant for three years, and has been granted a two year extension to August, 2000. It is currently working on three business initiatives: Evelyn's Boutique, a resale shop; Studio 501, an arts and crafts workshop for residents; and a Community Greenhouse. The Resident Organization has also secured a \$3,500 local foundation grant to help cover start-up costs. CIRCLE (Community Impact for Resident Leadership and Education) the resident organization at North Maple Estates also received a grant for Welfare to Work efforts. It is a three year grant, of which one year has expired.

LEAD-BASED PAINT HAZARD REDUCTION

During the program year, the City will continue to take action to evaluate and reduce lead-based paint hazards in each housing unit assisted through its rehabilitation program. Lead-based paint hazard reduction is an integral part of the City's Housing Rehabilitation efforts. All housing units assisted will be inspected and evaluated for potential lead-based paint hazards. When conditions are found which indicate a potential lead-based paint

hazard, appropriate remedial action will be included as a part of the rehabilitation work performed.

The City distributes an educational notice to all housing rehabilitation assistance recipients. This notice describes the dangers of lead-based paint, symptoms of lead paint poisoning, and provides instructions on actions to be taken if symptoms of lead-based paint poisoning are present. This notice is also available to the general public.

PUBLIC/PRIVATE COORDINATION EFFORTS

The Community Development Department will monitor the implementation of the Consolidated Strategy and Plan since it administers and monitors the Community Development Block Grant, the HOME Program, and City General Fund Human Services allocations. The Community Development Department has strong ties with area service providers and will be able to work to ensure that local housing and supportive services programs are compatible with the priorities outlined in the City's Consolidated Plan. As applications are received for assistance, the Community Development Department will review and make recommendations to either the Housing Policy Board or CDBG Executive Committee, who will then forward a recommendation to City Council based on compatibility with the Plan. The Community Development Department will maintain regular contact with area service providers and citizen groups through participation in various task forces, providing staff assistance to the CDBG Executive Committee, the Waiver and Review Board and the Housing Policy Board. The City will also continue its cooperation with Washtenaw County and other local municipalities in addressing housing and human service needs and will provide financial support as appropriate to housing projects and human service agencies.

V. HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

In the City's Five Year Plan, an important objective is to increase housing alternatives for homeless persons and families and other persons with special needs. Included in Appendix C are the 1999 Gaps Analysis and Priority Needs tables.

Meeting Under-served Needs

A Task Force on Homelessness was convened in November, 1996 by the Washtenaw County Administrator and the City Administrators of Ann Arbor and Ypsilanti, in order to take a comprehensive look at the network of shelter, housing and services that had been growing for over a decade. The Task Force was designed to include many previously underrepresented parties, including the Chamber of Commerce, the local universities, consumers, the United Way, and the Ann Arbor Area Community Foundation in addition to the Interagency Council participants. This Task Force organized into a series of subcommittees (which included over 100 community representatives from every sector) to prepare reports that assessed needs, siting and facility requirements, management practices of current providers, funding needs and other aspects of a comprehensive service delivery system for homeless single adults. The primary participants, meeting dates, process overview and outcome recommendations were all outlined in a Task Force on Homelessness Integrated Report.

In September, 1997, the Washtenaw County Task Force on Homelessness-Phase II was charged with assessing current needs of homeless families and youth, projecting future needs, assessing other communities' homelessness programs for possible models and preparing recommendations to the City Councils of Ann Arbor and Ypsilanti, the Washtenaw County Board of Commissioners and the general public. This report was also submitted to the Joint Steering Committee on Homelessness composed of public and private sector participants.

The recommendations and strategies produced by the two Task Forces and subcommittees as well as the Mission Clarity Group and Management Oversight Committee, composed of nonprofit service providers, neighbors, consumers and housing advocates are a central element of the Continuum of Care planning process. The ongoing process is designed to improve the coordinated delivery of homeless service. The City and Washtenaw County have pledged support to improve the current sheltering facilities situation. The Washtenaw Housing Alliance, a thirteen member nonprofit group led by St. Joseph Mercy Hospital has been formed and is addressing the issues of its formal structure, is developing a comprehensive plan for emergency shelter, transitional and permanent housing and has been actively seeking a location for a new shelter facility. Efforts are being made to develop a systems approach to homelessness in order to enable more homeless individuals to achieve self-sufficiency and find jobs and housing in the community.

Efforts to Reduce Number of Poverty Level Families

Although the City of Ann Arbor is very concerned about those living below the poverty level, it does not administer programs that provide supplemental income for these individuals. The city does make efforts to assist those living below the poverty level by promoting affordable housing and by requiring coordination of services of all subrecipients of CDBG funds to lessen the financial burden on this population.

With extensive cooperation and financial assistance from the City, Avalon Housing now has 137 permanently affordable rental units available for very low income persons, including those who live below the poverty level. Almost all of Avalon's tenants have incomes below 30% of median. Washtenaw Affordable Housing Corporation also has 90 permanently affordable rental units available for very low income persons.

The City continues to work with several nonprofit agencies in order to increase the supply and improve the conditions of transitional housing and permanent housing for the homeless. SOS Community Services has received funds to expand its capacity for the provision of long term housing and family development support including CDBG funds for acquisition of an emergency shelter. Rental subsidies and supportive services are being provided to very low income (<30%) residents. The City provided additional funding to the Shelter Association of Washtenaw County to operate a warming center during the winter period.

The City continues to provide funding for agencies to provide support services to low and very low income persons within the community. Over 2,000 individuals were assisted with CDBG funds and over 12,000 were assisted with General Funds. Preference is given to very low income residents.

In 1999, phase 17 of the Emergency Food and Shelter Board Program resulted in approximately \$53,195 being awarded to local agencies to support housing and food needs of very low income individuals and families. Agencies awarded funding included: American Red Cross, Food Gatherers, Salvation Army, SOS Prospect Place, Domestic Violence Project/SAFE House and Shelter Association of Washtenaw County. This amount continues to be reduced each year from earlier totals. The loss of these federal funds reduces services.

The City of Ann Arbor continues to support the County initiative relating to a payee program to assist lower income individuals, many whom are below the poverty level, to obtain services for which they may be eligible including Social Security, supplemental income through the Michigan Department of Social Services, Veteran Administration benefits, pensions, retirement, or disability income. It is hoped that by assisting individuals who are currently living below the poverty level to access all available programs, that many of them will be able to access jobs or job training and become more self-sufficient. Loss of federally funded Food Stamps to adult individuals adds to the problems faced by this population.

The Washtenaw Intergenerational Supported Housing (WISH) Program continues as a collaborative supportive services initiative with several local nonprofits to provide services to approximately 150 homeless individuals in the County.

Other housing facilities/programs receiving City financial support during the program year include: Prospect Place, operated by the SOS Community Services in Ypsilanti as transitional housing for six (6) families; Arbor Haven, a 15 bed facility operated by the Salvation Army; Ozone House, a transitional, emergency facility for homeless and at-risk youth; Domestic Violence Project's (DVP) Safe House, a 52 bed facility for battered women and their children as well as for homeless women. DVP also has a collaborative project with Avalon Housing to provide permanent affordable housing to victims of domestic violence. Father Patrick Jackson House, transitional living for pregnant and parenting youth.

VI. SUMMARY OF CITIZEN COMMENTS

The Community Development Department has reviewed all comments and provided responses to comments where appropriate. In certain cases, revisions to the Action Plan have been made as a result of the comments received. The staff responses to comments are in **bold-faced type**.

The Community Development Department received comments at public hearings and public meetings regarding Appendix A of the draft FY 1999-2000 Community Development Block Grant and HOME projects. Several commenters focused discussion on individual agency allocations. **These comments were considered and some adjustments were made to recommendations.**

A commenter suggested adding references to youth services under Community Development Block Grant program activities. **This change was made to the document. (p. 3)**

A commenter suggested allocating stable funding to local agencies as a way of insuring their effectiveness.

A commenter suggested that additional information should be included under the ARemoval of Barriers to Affordable Housing≡ section which better identifies planned local efforts. **Additional information was added to the document. (p.10)**

A commenter suggested that updated information be included in the document relating to AHomelessness≡ efforts, specifically the status and efforts of the Washenaw Housing Alliance. **This change was made to the document. (p. 12)**

A commenter suggested that concerns be expressed in the document regarding a new federal requirement of 25% cash match for Supportive Housing Program applications under the Continuum of Care Homelessness Assistance Process. **Although this comment is important to note and the concern will be transmitted to appropriate officials through correspondence, no changes were made to the document.**

annual9.wpd
May 11, 1999

Part 3

FY 1995-96 PROJECTS

1. REHABILITATION ASSISTANCE:

PRIORITY "H" ACTIVITIES

The Community Development (CD) housing rehabilitation program is designed to process both single family and multi-unit rental cases based upon waiting lists, program priorities, and staff resources. The City expects to complete rehab of 8 very low income homeowner units (<30%), 15 very low income homeowner units (<50%) and 2 other low income homeowner units (<80%) during the program year.

The CD staff also expects to work with local lenders in assisting 3 low income (<80%) homeowners in obtaining MSHDA NIP/CHIP funds. Continuing promotion and application solicitation is underway for these programs.

The CD staff expects to contract with approximately 3 private property owners to complete rehab on approximately 10 renter units for extremely low (<30%) and very low (<50%) income renters.

The Ann Arbor Housing Commission expects to complete rehabilitation of the 64 unit elderly site (<30%) with Comprehensive Grant Program funds as well as remedial tasks at several scattered family housing sites.

The City expects to subcontract with Avalon Housing Inc. and Washtenaw Affordable Housing Corporation to provide 17 units of permanent affordable housing for extremely low-income (<30%) and very low-income (<50%) renters. This will be accomplished through the acquisition/rehabilitation of several buildings at several different locations.

Avalon Housing Inc. proposes to continue its rehabilitation program targeted toward 36 extremely and low-income (<30%) households with the rehab of its units on Stimson, Davis, S. Division.

Washtenaw Affordable Housing Corporation proposes to continue its rehabilitation program targeted toward 23 very low and low-income (<30% & <50%) households with the rehab of its building on Miller Ave.

First Centrum expects to begin rehabilitation of 114 units for seniors in Summer, 1995 with the redevelopment of the Ann Arbor Inn. The projects has obtained Low Income Housing Tax Credits and will house individuals with incomes less than 60% of median.

2. RENTAL ASSISTANCE

PRIORITY "H" ACTIVITIES

As of the end of 1994, following a waiting list update, the Ann Arbor Housing Commission had approximately 160 applicants awaiting placement in public housing and an additional 725 on its Section 8 waitlist. Both waitlists have been closed since fall, 1992. The Housing Commission is anticipating taking applications for selective bedroom sizes in the spring, 1995.

Application for additional vouchers and/or certificates will be submitted by the Ann Arbor Housing Commission as notices of funding availability are published.

Additionally, 20 very low income families are expected to continue to receive rental assistance through the Transitional Housing Program operated by SOS Crisis Center.

Approximately 76 homeless, disabled residents will receive rental assistance through the Shelter Plus Care program.

3. NEW CONSTRUCTION - RENTER

PRIORITY "H" ACTIVITIES

It is expected that new construction of 56 rental units will be completed for low-income elderly (<30% and <50% of median income). The units will be at Sequoia Place (HUD 202 project). Although another project has not yet been identified, the City expects to continue working with private developers to package a project to meet the needs of low income renters. Permanent affordability is also a goal of any additional units provided through new construction.

The Housing Commission expects to begin construction on several of the 23 units of new public housing. Although all sites have not yet been secured, the project is expected to get underway in 1995.

4. NEW CONSTRUCTION - OWNER

PRIORITY "H" ACTIVITIES

It is expected that 3 units of new construction for low-income (<80%) first time homebuyers with children will be accomplished with projects underway by Habitat for Humanity.

Other programs related to homeownership opportunities for cooperative residents or local lender initiatives may also produce units for low income homebuyers.

5. SUPPORT SERVICES

PRIORITY "H" ACTIVITIES

The City proposes to serve approximately 100 extremely low-income (<30%) homeless individuals and families to receive support services through contracts with non-profit organizations within the community related to housing assistance. Additionally, approximately 100 very low-income individuals and families will receive other support services relating to their housing.

The City believes that the proposed goals are reasonable given the resources currently available. These goals, however, are sensitive to availability of additional federal and state resources, competitiveness to other projects submitted for review and are subject to income and financial limitations which are often much below Ann Arbor figures. The programs affected by these constraints include Section 8 certificates or vouchers, new construction rental programs, and new construction owner programs through MSHDA.

The City also proposes to serve approximately 5800 extremely low, very low and low-income individuals in receiving General Fund human services funding and Community Development public services funding for priority activities through non-profit organizations within the community.

PART 4

1 OTHER ACTIONS

PUBLIC POLICIES

The Regulatory Subcommittee of the Housing Policy Board will be reviewing a variety of regulations and requirements relating to housing developments, including: consideration of waiver or deferral of fees; reviewing the tax structure; providing infrastructure costs; re-instituting administrative procedures for some decision making; and relaxation of certain building or engineering standards.

INSTITUTIONAL STRUCTURE

The City of Ann Arbor does not propose any significant actions relating to improving its institutional structure.

PUBLIC HOUSING IMPROVEMENTS

The Ann Arbor Housing Commission will apply for Comprehensive Grants funds for improvements to public housing units.

PUBLIC HOUSING RESIDENT INITIATIVES

Unity Resident Management Corporation, the public housing resident group, expects to apply for funding for Resident Initiative Programs.

LEAD-BASED PAINT HAZARD REDUCTION

During the program year, the City will continue to take action to evaluate and reduce lead based paint hazards in each housing unit assisted through its rehabilitation program. Lead-based paint hazard reduction is an integral part

of the City's Housing Rehabilitation efforts. All housing units assisted will be inspected and evaluated for potential lead-based paint hazards. When conditions are found which indicate a potential lead-based paint hazard, appropriate remedial action will be included as a part of the rehabilitation work performed.

The City also prepared an educational notice which is provided to all housing rehabilitation assistance recipients. This notice describes the dangers of lead-based paint, symptoms of lead paint poisoning, and provides instructions on actions to be taken if symptoms of lead-based paint poisoning are present. This notice is also available to the general public.

2. ANTI-POVERTY STRATEGY

Although the City of Ann Arbor is very concerned about those living below the poverty level, it does not control or administer programs that provide supplemental income for these individuals. However, the city does make efforts to assist those living below the poverty level by promoting affordable housing and by requiring coordination of services of all subrecipients of CDBG funds, thereby diminishing the financial burden on this population.

With cooperation and financial assistance from the City, Avalon Housing now has 71 permanently affordable rental units available for very low income persons, including those who live below the poverty level. Almost all of its tenants have incomes below 30% of median.

The City continues to work with several non-profit agencies in order to increase the supply and improve the conditions of transitional housing and permanent housing for the homeless. SOS Community Crisis Center has received funds to expand its capacity for the provision of long term housing and family development support. Rental subsidies and supportive services are being provided to very low income (<30%) residents.

The City continues to provide funding to agencies to provide support services to low and very low income persons within the community. Over 2,000 individuals were assisted with CDBG funds and over 12,000 assisted with General Funds. Preference is given to those of very low income.

In 1995, phase 13 of the Emergency Food and Shelter Board Program resulted in \$98,589 being awarded to local agencies to support housing and food needs of very low income individuals and families. Agencies awarded funding included: American Red Cross, St. Andrews Breakfast Program, Child and Family Services, Shelter Association, Salvation Army, SOS Prospect Place, Washtenaw County Human Services, Domestic Violence Project, Inter-Faith Hospitality Network, Ozone House, and Faith in Action (Chelsea). This amount was reduced from the phase 12 total of \$104,000 and it is expected that future funding amounts will continue to decrease from the federal level.

The Salvation Army of Washtenaw County has created the Arbor Haven Advisory Council, including representatives from the city, to explore an expansion of Arbor Haven, which provides both emergency and longer term shelter services to homeless individuals and families. The new facility would provide drug treatment services for adult women and their children, including detoxification services and post-detox housing services. A 40 bed-unit facility providing temporary (3-6) month shelter services to families and/or individuals is under consideration.

The City of Ann Arbor will support the County initiative to develop a payee program that will assist lower income individuals, many whom are below the poverty level, to obtain services for which they may be eligible including Social Security, supplemental income through the Michigan Department of Social Services, Veteran Administration benefits, pensions, retirement, or disability income. It is hoped that by assisting individuals who are currently living below the poverty level to access all available programs many of them will be able to access jobs or job training and become more self-sufficient.

Other housing facilities receiving City financial support during the program year include: Prospect Place, operated by the SOS Community Crisis Center in Ypsilanti as transitional housing for six (6) families; Arbor Haven, a 15 bed facility operated by the Salvation Army; and Domestic Violence Project's Safe House as a facility for battered women and their children.

3. COORDINATION EFFORTS

The Community Development Department will monitor the implementation of the Consolidated Plan and Strategy since it currently administers and monitors the Community Development Block Grant, the HOME Program, and City Human Services General Fund allocations. The Community Development Department has strong ties with area service providers and will be able to work to ensure that local housing and supportive services programs are compatible with the priorities outlined in the City's Consolidated Plan. As applications are received for assistance, the Community Development Department will review and make recommendations to either the Housing Policy Board or CDBG Executive Committee, who will then forward a recommendation to City Council based on compatibility with the Plan.

The Community Development Department will maintain regular contact with area service providers and citizen groups through participation in various task forces, and providing staff assistance to the CDBG Executive Committee, and the Housing Policy Board.

SUMMARY OF CITIZEN COMMENTS

The Community Development Department has received a number of responses to the draft of the City's Consolidated Strategy and Plan from many sectors of the community. Comments have been received from housing and human services providers, housing activists, community leaders, and private citizens. The comments included are those received either from public meetings, public hearings or written comments. They fall into general categories relating to the organization of the document, the purpose and the development of the document, or specific statements included in the document.

The Community Development Department has reviewed all comments and provided responses to comments as indicated below. In certain cases, revisions to the Plan have been made as a result of comments received. The staff responses to comments are in **bold-face type**. The comments are organized to correspond to the Plan sub-sections.

SUMMARY OF DEVELOPMENT PROCESS

A commenter asked for clarification of the Housing Policy Board's role in the Consolidated Plan approval process.(p. 7) **The referenced language has been revised in the document.**

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

A commenter suggested a format change to place the explanation for the Priority Needs Summary Table immediately after the Table starting on page 13. **This text has been moved in the document.**

A commenter questioned the statement that additional homeownership opportunities should be made available for extremely low-income residents. (p. 17) It was suggested that it may be unrealistic for extremely low-income families to be able afford the costs of homeownership. With the highly transient population in the City, rental housing may be more suitable for other sectors of the population. **Staff acknowledges the high costs of homeownership, including maintenance, taxes and utilities but maintains the individual neighborhood and the entire community benefits from increasing homeownership opportunities. In order for very low-income families to become homeowners, financing alternatives and support programs must be available.**

A commenter asked for information on the trends of the homeless statistics and the related reasons. **This additional information has been included in the document. (p. 26)**

A commenter stated that the issue of deinstitutionalization of mentally ill individuals should be de-emphasized and rather than referencing adult foster care, emphasis should be placed on the need for supportive services for the mentally ill. (p. 29) **The additional information has been added to the document.**

A commenter stated that the needs of battered women was not adequately addressed in the document (p. 30) and that this population should have priority consideration. The commenter also spoke in support of the need for additional funding for Safe House and reported statistics for 1994. **The additional information has been added to the document (p. 30) and the listing of priority needs information has also been included (p. 76).**

A commenter provided statistical information on the needs of aging families with members who have developmental disabilities. **The additional information has been added to the document. (p. 32)**

A commenter spoke in support of health care programs for low-income patients and stated that 35% of pregnant patients visiting Corner Health Clinic were under the threat of homelessness. The commenter also supported the concept of collaboration of agencies providing services in the community. **The additional information has been reflected in the document. (p. 31)**

A commenter spoke in support of senior programs and the HomeShare program of the Housing Bureau for Seniors and stated that reduced funding would impact these programs. **The additional program information has been reflected in the document. (p. 32)**

A commenter stated that references to the YMCA should reflect that rents are not affordable to minimum wage earners. (pp. 34,37) **While monthly rent levels at the YMCA are within HUD defined fair market rent levels for single room occupancy units, all parties agree that rent levels are higher than they would like for them to be. There is added costs to individuals who pay either daily or weekly rates. The additional information has been added to the document (p. 34).**

A commenter requested cumulative CDBG data for the prior five years since that may be more illustrative of the City's current spending pattern and the spending trends in these areas. (p. 39) Another commenter requested recent comparative data analyzing national expenditures vis-a-vis the City's expenditures. **The additional information has been added to the document.** (p. 39)

A commenter spoke of the need for continued support for child care programs, the need for monitoring standards and the high cost of child care for low-income families. It was reported that 61% of families need childcare and the cost is approximately \$5,783 per child per year. **Staff agrees with the needs as presented.**

A commenter provided statistical information on labor force needs and work force training needs for Washtenaw County businesses. **The additional information has been added to the document.** (p. 42)

A commenter provided statistical information on the handicapped population in the labor force for Washtenaw County. **The additional information has been added to the document.** (p. 42)

A commenter asked to add the percentages to the statistics on lead-based paint hazard needs. **The additional information has been added to the document.** (p. 45)

HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

A commenter suggested that the objectives identified by the City (p. 66) relate more closely to the priority needs and that the recommendations be numbered for better organization. **This change has been made to the document (pp. 66 - 77).**

A commenter spoke of the implications of major reductions in federal funding and the need for local leadership in working to design systems which can sustain these funding reductions. **Staff agrees with the concern about federal funding reductions and has attempted to reflect local sources of funding to support portions of the identified needs.**

Comments were also solicited from Washtenaw County government and County agencies including Washtenaw County Drain Commissioner, the Environmental and Infrastructure Services Department, Washtenaw Development Council and townships surrounding Ann Arbor. The Drain Commissioner reviewed the flood drain improvements section, recognized the coordination of these projects and asked for the opportunity to comment on the Storm Water Master Plan being prepared by the City. The Washtenaw County Planning Department commented that the Plan appears to address the needs of the citizens in a comprehensive and complete fashion. The Washtenaw Development Council commented on the limited availability of real estate within city limits to accommodate the needs of start up businesses entering growth cycles; the need to begin planning for the creation of quality employment opportunities for individuals affected by impending downsizing of the city's two largest employment centers - education and health care; the need to aggressively address the shrinking tax base caused by the removal of valuable real estate; and the need to continue to limit the city's reliance on the automotive industry. The surrounding townships of Pittsfield, Scio, Lodi and Ann Arbor had no comments. **The additional information has been added to the document.** (p.

Priority Needs Summary Table

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No Such Need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS
			0-30%	31-50%	51-80%		
Renter	Small	Cost Burden > 30%	H	H	M	2,149	1,000,000
		Cost Burden > 50%	H	H	M	1,129	1,244,000
		Physical Defects	H	H	M	229	568,000
		Overcrowded	M	M	M	181	10,000
	Large	Cost Burden > 30%	H	H	M	152	720,000
		Cost Burden > 50%	H	H	M	62	30,000
		Physical Defects	H	H	M	22	142,000
		Overcrowded	M	M	M	135	10,000
	Elderly	Cost Burden > 30%	M	M	M	888	50,000
		Cost Burden > 50%	M	M	M	439	50,000
		Physical Defects	M	M	M	95	75,000
		Overcrowded	L	L	L	64	5,000
Owner	Cost Burden > 30%	M	M	M	1,624	100,000	
	Cost Burden > 50%	M	M	M	751	100,000	
	Physical Defects	H	H	M	202	1,810,000	
	Overcrowded	M	H	M	127	10,000	
PRIORITY HOMELESS NEEDS			Priority Need Level High, Medium, Low, No such need			ESTIMATED DOLLARS NEEDED TO ADDRESS	
Outreach Assessment			Families	Individuals	Persons w/ Special Needs	547,950	
			H	H	H		
Emergency Shelters			Families	Individuals	Persons w/ Special Needs	786,800	
			H	H	H		
Transitional Shelters			Families	Individuals	Persons w/ Special Needs	110,250	
			H	H	H		
Permanent Supportive Housing			Families	Individuals	Persons w/ Special Needs	1 000 000	
			H	H	H		
Permanent Housing			Families	Individuals	Persons w/ Special Needs	2 660 000	

	Priority Need Level High, Medium, Low, No Such Need			
	H	H	H	

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS
PUBLIC FACILITY NEEDS		
Senior Centers	M	4,000,000
Youth Centers	M	220,000
Neighborhood Facilities	M	125,000
Child Care Centers	L	1
Parks and/or Recreation Facilities	M	3,100,000
Health Facilities	M	200,000
Parking Facilities	M	9,000,000
Other Public Facilities	N	0
INFRASTRUCTURE IMPROVEMENT		
Solid Waste Disposal Improvements	M	4,038,000
Flood Drain Improvements	M	1,142,000
Water Improvements	M	14,000,000
Street Improvements	M	14,700,000
Sidewalk Improvements	M	200,000
Sewer Improvements	M	14,800,000
Asbestos Removal	L	1
Other Infrastructure Improvement Needs	L	1
PUBLIC SERVICE NEEDS		
Senior Services	H	450,000
Handicapped Services	H	245,000
Youth Services	H	1,150,000
Transportation Services	M	10,000
Substance Abuse Services	M	1,150,000
Employment Training	H	540,000
Crime Awareness	H	125,000
Fair Housing Counseling	H	25,000
Tenant/Landlord Counseling	H	25,000
Child Care Services	H	740,000

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS
Health Services	H	375,000
Other Public Service Needs	H	340,000
ACCESSIBILITY NEEDS		
Accessibility Needs	M	100,000
HISTORIC PRESERVATION NEEDS		
Residential Historic Preservation Needs	M	100,000
Non-Residential Historic Preservation Needs	M	50,000
ECONOMIC DEVELOPMENT NEEDS		
Commercial-Industrial Rehabilitation	L	1
Commercial-Industrial Infrastructure	L	1
Other Commercial-Industrial Improvements	N	0
Micro-Business	M	50,000
Other Businesses	H	200,000
Technical Assistance	H	200,000
Other Economic Development Needs	L	1
OTHER COMMUNITY DEVELOPMENT NEEDS		
Energy Efficiency Improvements	L	10,000
Lead Based Paint/Hazards	L	10,000
Code Enforcement	L	25,000
PLANNING		
Planning	L	10,000
TOTAL ESTIMATED DOLLARS NEEDED TO ADDRESS:		\$82,484,006

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Homeless Populations and Subpopulations**

Part 1: Homeless Population	Total # Homeless (a + c + d)	Total # Homeless Unsheltered (a)	TOTAL NUMBER SERVED BY		
			Reception/Day Centers (b)	Emergency Shelters (c)	Transitional Housing (d)
Families with Children					
1. Number of Homeless Families	132	82	0	50	0
2. Number of Persons in Homeless Families	343	213	0	130	0
Individuals not in Families					
3. Youth (17 years of age or younger)	56	0	0	56	0
4. Adults (18+ years of age)	857	225	0	632	0
TOTAL (lines 2 + 3 + 4)	1256	438	0	818	0

Part 2: Subpopulations

Homeless Persons with Special Needs Related to:	<u>% of Total</u>	<u>Number</u>
1. Severe Mental Illness (SMI) Only	33.0	414
2. Alcohol/Other Drug Abuse Only	30.0	377
3. SMI and Alcohol/Other Drug Abuse	15.0	188
4. Domestic Violence	9.0	113
5. AIDS/Related Diseases	0.2	3

Part 2: Continued

<u>6. Other (Specify)</u>	<u>% of Total</u>

1	Single Unit Residential Rehabilitation	14A	CDBG	\$	365,500	25 Households (General)
			HOME	\$	0	
95-01	During the 12 month program year, CDD will provide deferred payment and low interest loans for owner occupied units for rehabilitation improvements	Rehab; Single-Unit Residential 570.202	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	365,500	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	365,500	
			Prior Year Money:		YES	

Help prevent homelessness? YES
Help the homeless? NO
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(3) - LOW/MOD HOUSING BENEFIT
 Subrecipient: None
 Location(s): CITY WIDE

2	Single\Multi-unit Rental Rehabilitation	14B	CDBG	\$	30,200	10 Households (General)
			HOME	\$	0	
95-02	During the 12 month program year, CDD will provide loans to rental property owners for acquisition/rehab of rental units for occupancy by lower income residents	Rehab; Multi-Unit Residential 570.202	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	30,200	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	30,200	
			Prior Year Money:		YES	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(3) - LOW/MOD HOUSING BENEFIT
 Subrecipient: None

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
Location(s):	CITY WIDE			
3 95-03	Subrecipient Housing Rehabilitation and Operations- Avalon During the 12 month period, Avalon will complete rehabilitation on properties on Stimson, E. Davis, S. Division, Pontiac Trail and other sites and continue housing program operation	14B Rehab; Multi-Unit Residential / 570.202	CDBG \$ 75,000 HOME \$ 0 ESG \$ 0 HOPWA \$ 0 SUBTOTAL: \$ 75,000 PHA funding \$ 0 Assisted Hsg \$ 0 TOTAL: \$ 75,000 Prior Year Money: NO	36 Small Households
	Help prevent homelessness? YES Help the homeless? YES Help those with HIV or AIDS? NO			
	CDBG National Objective Citation: 570.208(a)(3) - LOW/MOD HOUSING BENEFIT Subrecipient: Non-Section 204 Location(s): ADDRESS 800 Stimson,, Ann Arbor, MI			

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources		Proposed Accomplishments
4	Subrecipient Housing Rehabilitation & Operations - WAHC	14B	CDBG	\$ 28,300	23 Households (General)
95-04	During the 12 month period, WAHC will complete rehabilitation at 701 Miller and other sites and continue housing program operation	Rehab; Multi-Unit Residential / 570.202	HOME	\$ 0	
			ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 28,300	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 28,300	
			Prior Year Money:	YES	
			Help prevent homelessness?	YES	
			Help the homeless?	NO	
	Help those with HIV or AIDS?	NO			
	CDBG National Objective Citation:	570.208(a)(3) - LOW/MOD HOUSING BENEFIT			
	Subrecipient:	Non-Section 204			
	Location(s):	ADDRESS			
	701 Miller, Ann Arbor, MI				
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6	Housing Acquisition	14G	CDBG	\$ 79,100	15 Households (General)
95-06	During 12 month period, provide funds to entities for acquisition/rehab of rental structures for occupancy by low income residents	Acquisition - For Rehabilitation / 570.202	HOME	\$ 0	
			ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 79,100	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 79,100	
			Prior Year Money:	NO	
			Help prevent homelessness?	YES	

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help the homeless? YES
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(3) - LOW/MOD HOUSING BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

7	Public Facility - Transitional Housing	03C	CDBG	\$	17,500	0 Public Facilities
			HOME	\$	0	
95-07	During 12 month period, Shelter Association of Washtenaw will develop a plan for acquisition/rehab of facility as transitional housing for homeless	Homeless Facilities (not operating costs) / 570.201(c)	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	17,500	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	17,500	
			Prior Year Money:		NO	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? YES

CDBG National Objective Citation: 570.208(a)(3) - LOW/MOD HOUSING BENEFIT
 Subrecipient: Non-Section 204
 Location(s): N/A

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
8	Economic Development	18B	CDBG \$ 25,000 HOME \$ 0	25 Businesses
95-08	During 12 month period, Ann Arbor Community Development Corporation will provide technical assistance to women and minority-owned small businesses in Ann Arbor	ED Technical Assistance / 570.203(b)	ESG \$ 0 HOPWA \$ 0 SUBTOTAL: \$ 25,000 PHA funding \$ 0 Assisted Hsg \$ 0 TOTAL: \$ 25,000	
			Prior Year Money:	NO
	Help prevent homelessness?	NO		
	Help the homeless?	NO		
	Help those with HIV or AIDS?	NO		
	CDBG National Objective Citation:	570.208(a)(4) - LOW/MOD JOBS BENEFIT		
	Subrecipient:	Non-Section 204		
	Location(s):	CITY WIDE		
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9	Economic Development Loans	18A	CDBG \$ 5,000 HOME \$ 0	5 Businesses
95-09	During the 12 month period, Ann Arbor Community Development Corporation will provide loans to small, minority or women-owned businesses	ED Direct Financial Assistance to For-Profits / 570.203(b)	ESG \$ 0 HOPWA \$ 0 SUBTOTAL: \$ 5,000 PHA funding \$ 0 Assisted Hsg \$ 0 TOTAL: \$ 5,000	
			Prior Year Money:	YES
	Help prevent homelessness?	NO		
	Help the homeless?	NO		

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(4) - LOW/MOD JOBS BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

10	Child Care Services	05L	CDBG	\$	148,000	90 Households (General)
			HOME	\$	0	
95-10	Within 12 month period, Child Care Network will provide child care scholarships, support services and case management	Child Care Services / 570.201(e)	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	148,000	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	148,000	
			Prior Year Money:		NO	

Help prevent homelessness? YES
Help the homeless? NO
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
11	Employment Training	05H	CDBG \$ 34,000	182 People (General)
			HOME \$ 0	
95-11	Within 12 month period, Soundings in collaboration with Child Care Network will provide job training, job counseling, resources and referrals	Employment Training / 570.201(e)	ESG \$ 0	
			HOPWA \$ 0	
			SUBTOTAL: \$ 34,000	
			PHA funding \$ 0	
			Assisted Hsg \$ 0	
			TOTAL: \$ 34,000	
			Prior Year Money:	NO
	Help prevent homelessness?	YES		
	Help the homeless?	YES		
	Help those with HIV or AIDS?	NO		
	CDBG National Objective Citation:	570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT		
	Subrecipient:	Non-Section 204		
	Location(s):	CITY WIDE		
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12	Youth Services	05D	CDBG \$ 6,000	240 Youth
			HOME \$ 0	
95-12	Within 12 month period, Student Advocacy Center in collaboration with Child Care Network will provide a variety of youth support services, crime and substance abuse prevention, support groups and outreach	Youth Services / 570.201(e)	ESG \$ 0	
			HOPWA \$ 0	
			SUBTOTAL: \$ 6,000	
			PHA funding \$ 0	
			Assisted Hsg \$ 0	
			TOTAL: \$ 6,000	
			Prior Year Money:	NO
	Help prevent homelessness?	YES		
	Help the homeless?	NO		

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

13	Health Services	05M	CDBG	\$	42,000	800 People (General)
			HOME	\$	0	
95-13	Within 12 month period, Community Dental Health Services	Dental / 570.201(e)	ESG	\$	0	
	Center will provide comprehensive dental services		HOPWA	\$	0	
			SUBTOTAL:	\$	42,000	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	42,000	
			Prior Year Money:		NO	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? YES

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: Non-Section 204
 Location(s): ADDRESS

406 N. Ashley, Ann Arbor, MI

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources		Proposed Accomplishments
14	Legal Services	05C	CDBG	\$ 48,500	510 Households (General)
			HOME	\$ 0	
95-16	Within 12 month period, Legal Services of SE Michigan will provide legal services in areas of housing eviction, foreclosure prevention and domestic violence prevention	Legal Services /	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 48,500	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 48,500	
			Prior Year Money:	NO	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? YES

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
Subrecipient: Non-Section 204
Location(s): ADDRESS

420 N. Fourth Ave, Ann Arbor, MI

15	Senior Services	05A	CDBG	\$ 53,500	682 Elderly
			HOME	\$ 0	
95-15	Within 12 month period, Neighborhood Senior Services will provide chore services, outreach care management and other services to seniors	Senior Services / 570.201(e)	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 53,500	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 53,500	
			Prior Year Money:	NO	

Help prevent homelessness? YES

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help the homeless? NO
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

17	Homelessness Assistance	Prevention/Employment	05	CDBG	\$	52,000	345 Households (General)
				HOME	\$	0	
95-17	Within 12 month period, SOS Crisis Center will provide continuum of care services including employment assistance and family support to transitional housing families		Public Services (General) / 570.201(e)	ESG	\$	0	
				HOPWA	\$	0	
				SUBTOTAL:	\$	52,000	
				PHA funding	\$	0	
				Assisted Hsg	\$	0	
				TOTAL:	\$	52,000	
				Prior Year Money:		NO	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources		Proposed Accomplishments
18	Rehabilitation Administration	14H	CDBG	\$ 90,000	60 Households (General)
			HOME	\$ 0	
95-18	During 12 month period, CDD will administer and manage housing programs	Rehabilitation Administration / 570.202	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 90,000	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 90,000	
			Prior Year Money:	YES	
	Help prevent homelessness?	YES			
	Help the homeless?	YES			
	Help those with HIV or AIDS?	NO			
	CDBG National Objective Citation:	570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT			
	Subrecipient:	None			
	Location(s):	CITY WIDE			
<hr/>					
19	General Program Administration	21A	CDBG	\$ 280,400	1,500 People (General)
			HOME	\$ 0	
95-19	During 12 month period, CDD will administer CDBG and other City programs	General Program Administration / 570.206	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 280,400	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 280,400	
			Prior Year Money:	YES	
	Help prevent homelessness?	YES			
	Help the homeless?	YES			

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS? NO

CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: None
 Location(s): CITY WIDE

20	HOME Acquisition/Rehabilitation	14G	CDBG	\$	0	50 Households (General)
			HOME	\$	212,750	
95-20	During the 18 month period, CHDOs and other subrecipients will acquire and rehab multi-unit properties for occupancy by very low-income residents	Acquisition - For Rehabilitation	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	212,750	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	212,750	
			Prior Year Money:		YES	

Help prevent homelessness? YES
Help the homeless? YES
Help those with HIV or AIDS? YES

CDBG National Objective Citation:
 Subrecipient: Non-Section 204
 Location(s): CITY WIDE

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources		Proposed Accomplishments
21	HOME CHDO Administration - Avalon	19B	CDBG	\$ 0	100 Housing Units
			HOME	\$ 18,750	
95-21	During 12 month period, Avalon will administer housing programs	HOME CHDO Operating Costs (not part of 5% Admin.cap)	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 18,750	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 18,750	
			Prior Year Money:	NO	
	Help prevent homelessness?	YES			
	Help the homeless?	YES			
	Help those with HIV or AIDS?	YES			
	CDBG National Objective Citation:				
	Subrecipient:	Non-Section 204			
	Location(s):	CITY WIDE			
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22	HOME Administration	19A	CDBG	\$ 0	100 People (General)
			HOME	\$ 53,500	
95-22	During the 12 month period, CDD will administer and manage the City's HOME program activities	HOME Admin/Planning costs of PJ (not part of 5% Admin.cap)	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 53,500	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 53,500	
			Prior Year Money:	YES	
	Help prevent homelessness?	YES			
	Help the homeless?	YES			

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS? YES
 CDBG National Objective Citation:
 Subrecipient: None
 Location(s): CITY WIDE

23	Relocation	08	CDBG	\$	10,000	5 Households (General)
			HOME	\$	0	
95-23	During 12 month period, CDD will provide relocation assistance to eligible occupants of housing	Relocation / 570.201(i)	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	10,000	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
		TOTAL:	\$	10,000		
		Prior Year Money:			NO	

Help prevent homelessness? YES
Help the homeless? NO
Help those with HIV or AIDS? NO
 CDBG National Objective Citation: 570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
 Subrecipient: None
 Location(s): N/A

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
24	HOME CHDO Administration - WAHC	19B	CDBG \$ 0	30 Housing Units
95-24	During the 12 month period, WAHC will administer housing programs	HOME CHDO Operating Costs (not part of 5% Admin.cap)	HOME \$ 8,000 ESG \$ 0 HOPWA \$ 0 SUBTOTAL: \$ 8,000 PHA funding \$ 0 Assisted Hsg \$ 0 TOTAL: \$ 8,000	
			Prior Year Money:	NO
	Help prevent homelessness?	YES		
	Help the homeless?	NO		
	Help those with HIV or AIDS?	NO		
	CDBG National Objective Citation:			
	Subrecipient:	Non-Section 204		
	Location(s):	CITY WIDE		
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25	HOME - Acquisition/Rehab - Avalon	14G	CDBG \$ 0	15 Small Households
95-25	During 12 month period, Avalon Housing will acquire and rehab properties for occupancy by very low-income	Acquisition - For Rehabilitation	HOME \$ 200,000 ESG \$ 0 HOPWA \$ 0 SUBTOTAL: \$ 200,000 PHA funding \$ 0 Assisted Hsg \$ 0 TOTAL: \$ 200,000	
			Prior Year Money:	YES
	Help prevent homelessness?	YES		
	Help the homeless?	YES		

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS? YES

CDBG National Objective Citation:

Subrecipient: Non-Section 204

Location(s): CITY WIDE

26	HOME - Acquisition/Rehab - WAHC	14G	CDBG	\$	0	2 Households (General)
			HOME	\$	42,000	
95-26	During the 12 month period, Washtenaw Affordable Housing Corporation will acquire and rehab units for occupancy by low-income	Acquisition - For Rehabilitation	ESG	\$	0	
			HOPWA	\$	0	
			SUBTOTAL:	\$	42,000	
			PHA funding	\$	0	
			Assisted Hsg	\$	0	
			TOTAL:	\$	42,000	
			Prior Year Money:		NO	

Help prevent homelessness? YES

Help the homeless? NO

Help those with HIV or AIDS? NO

CDBG National Objective Citation:

Subrecipient: Non-Section 204

Location(s): CITY WIDE

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources		Proposed Accomplishments
27	Contingency	22	CDBG	\$ 97,000	0 Households (General)
			HOME	\$ 0	
95-27	Contingency funds to be used in existing program activities	Unprogrammed Funds /	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 97,000	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 97,000	
			Prior Year Money:	NO	
	Help prevent homelessness?	NO			
	Help the homeless?	NO			
	Help those with HIV or AIDS?	NO			
	CDBG National Objective Citation:	570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT			
	Subrecipient:	None			
	Location(s):	N/A			
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28	Health Services	05M	CDBG	\$ 13,000	295 People (General)
			HOME	\$ 0	
95-28	Within 12 month period, Packard Community Clinic will provide medical services and fee subsidies	Health Services / 570.201(e)	ESG	\$ 0	
			HOPWA	\$ 0	
			SUBTOTAL:	\$ 13,000	
			PHA funding	\$ 0	
			Assisted Hsg	\$ 0	
			TOTAL:	\$ 13,000	
			Prior Year Money:	NO	
	Help prevent homelessness?	NO			
	Help the homeless?	YES			

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources	Proposed Accomplishments
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Help those with HIV or AIDS?	YES
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CDBG National Objective Citation:	570.208(a)(2) - LOW/MOD LIMITED CLIENTELE BENEFIT
Subrecipient:	Non-Section 204
Location(s):	ADDRESS

3174 Packard Road, Ann Arbor, MI

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
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**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Funding Sources**

Entitlement Grant (includes reallocated funds)	2,034,000
Unprogrammed Prior Year's Income not previously reported	0
Surplus Funds	463,431
Return of Grant Funds	0
Total Estimated Program Income (from detail below)	57,000
Total Funding Sources:	\$2,554,431

Estimated Program Income			
	Description	Grantee	Subrecipient
1.	HOME - loan repayments	12,000	0
2.	CDBG - single family loan repayments	40,000	0
3.	CDBG - single/multi unit loan repayments	5,000	0
4.		0	0
5.		0	0
6.		0	0
7.		0	0
8.		0	0
9.		0	0
10.		0	0
Income	Total Estimated Program	\$57,000	\$0

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description Accomplishments	Activity Code / Title / Citation	Funding Sources
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CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the Housing and Community Development Plan regulations, the jurisdiction certifies that:

Citizen Participation Plan -- It is following a detailed citizen participation plan which:

1. Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used, and provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;
2. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by the regulations of the Secretary, and relating to the actual use of funds under the Act;
3. Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;
4. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
6. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;

Citizen Participation -- Prior to submission of its housing and community development plan to HUD, the jurisdiction has:

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description Accomplishments	Activity Code / Title / Citation	Funding Sources
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1. Met the citizen participation requirements of 91.100
2. Prepared its housing and community development plan and annual use of funds in accordance with 91.100 and made its housing and community development plan submission available to the public.

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, prepare an analysis of impediments and maintain records pertaining to carrying out this certification.

Anti-Discrimination -- The grants will be conducted and administered in compliance with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3620), the Age Discrimination Act of 1975, Executive Orders 11063, 11625, 12138, 12432 and 12892, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Americans with Disabilities Act (title II) and implementing regulations.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under 91.100 and Federal implementing regulations; and that it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, and the relocation requirements of 91.100 governing optional relocation assistance under section 105(a)(11) of the Housing and Community Development Act of 1974, as amended;

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
	abuse violations occurring in the workplace;		
3.	Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;		
4.	Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -		
	(a) Abide by the terms of the statement; and		
	(b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;		
5.	Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;		
6.	Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -		
	(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or		
	(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;		
7.	Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.		
8.	The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:		
	Place of Performance (Street address, city, county, state, zip code)		

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

Check _____ if there are workplaces on file that are not identified here;The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;The jurisdiction is in compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

Legal Authority -- It possesses legal authority under State and local law to make grant submissions and to execute a community development and housing programs and the jurisdiction's governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the grantee to submit the housing and community development plan and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the grantee to act in connection with the

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

submission of the housing and community development plan and to provide such additional information as may be required;

Applicable Laws -- The jurisdiction will comply with the other provisions of the Acts covering programs covered by the HCD plan and with other applicable laws.

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

Specific CDBG Certifications

The Entitlement Community certifies that:

Use of Funds -- It has developed its HCD plan one-year projected use of funds so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight; (the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available); except that the aggregate use of CDBG funds received under section 106 of the Housing and Community Development Act of 1974, as amended, and if applicable, under section 108 of the same Act, during program year(s) 199____ , _____ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit such persons during such period;

Community Development Plan -- It has developed a community development plan, for the period specified in the paragraph above, that identifies community development and housing needs and specifies both short and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Housing and Community Development Act of 1974, as amended;

Special Assessments -- It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Housing and Community Development Act of 1974, as amended, or with amounts resulting from a guarantee under section 108 of the same Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

1. Funds received under section 106 of the Housing and Community Development Act of 1974, as amended, are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of that Act; or
2. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of subparagraph (1) above;

Lead-Based Paint -- Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR 3282.608;

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

**OPTIONAL CERTIFICATION
CDBG**

Submit the following certification only when one or more of the activities in the final statement are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the projected use of funds includes one or more specifically identified activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs.

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's annual approved housing strategy for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

ESG Certifications

The Emergency Shelter Grantee certifies that:

Match -- It will provide the matching supplemental funds required by 9575.51. Describe the sources and amounts of the supplemental funds.

Terms of Assistance -- It will comply with:

- (1) The requirements of 9575.53 concerning the continued use of buildings, for which emergency shelter grant amounts are used, as emergency shelters for the homeless;
- (2) The building standards requirements of 9575.55; and
- (3) The requirements of 9575.57 concerning assistance to the homeless.

Non-profit Subrecipients -- It will conduct its emergency shelter grant activities and the unit of general local government will ensure that nonprofit recipients conduct their activities in conformity with the nondiscrimination and equal opportunity requirements contained in 9575.59(a) and the other requirements of this part and of other applicable Federal law.

Use of Commercial Buildings -- If grant amounts are proposed to be used to provide emergency shelter for the homeless in hotels or motels, or other commercial facilities providing transient housing:

- (1) The grantee or nonprofit recipient has executed (or will execute) an agreement with the provider of such housing that comparable living space, in terms of quality, available amenities, and square footage, will be available in the facility for use as emergency

**U.S. Department of Housing and Urban Development
 CPD Consolidated Plan
 Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

shelter for at least the applicable period specified in §575.53;

- (2) Leases negotiated between the grantee or nonprofit recipient with the provider of such housing will make available such living space at substantially less than the daily room rate otherwise charged by the facility; and
- (3) The grantee or nonprofit recipient has considered using other facilities as emergency shelters, and has determined that the use of such living space in the facilities provides the most cost-effective means of providing emergency shelter for the homeless in its jurisdiction.

Environmental -- It assures that no renovation, major rehabilitation, or conversion activity funded through the Emergency Shelter Grant Program will:

- (1) Involve alterations to a property that is listed on the National Register of Historic Places, is located in a historic district or is immediately adjacent to a property that is listed on the Register, or is deemed by the State Historic Preservation Officer to be eligible for listing on the Register;
- (2) Take place in any 100-year floodplain designated by map by the Federal Emergency Management Agency; or
- (3) Be inconsistent with HUD environmental standards in 24 CFR part 51 or with the State's Coastal Zone Management plan.

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

HOPWA Certifications

Terms of Assistance -- It will maintain any building or structure assisted with under the HOPWA program as a facility to provide assistance for eligible persons:

- (1) For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation or acquisition of a facility; and
- (2) For a period of not less than 3 years in cases involving non-substantial rehabilitation or repair of a building or structure;

Signature

Date

Title

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out in paragraph (o).
2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which entitlement grantees certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable to CDBG Entitlement grantees.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway

**U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local Code	Project Title / Description	Activity Code / Title / Citation	Funding Sources
-----------------------------------	--	---	------------------------

department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).