

CITY OF ANN ARBOR

FY 2003

(JULY 1, 2003 --- JUNE 30, 2004)

**Consolidated Annual Performance Evaluation
Report
(CAPER)**

A Report to the Department of Housing and Urban Development

September 2004

**CITY OF ANN ARBOR
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
FY 2003**

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HOME Match Report (HUD-40107-A)
HOME Annual Performance Report (HUD-40107)

Attachment I
Attachment II

Integrated Disbursement and Information System (IDIS) Consolidated Annual Performance and Evaluation Reports (C04PR03, C04PR06, C04PR26, C04PR33) (separate cover)

DISCLAIMER

As part of the Consolidated Annual Performance and Evaluation Report (CAPER), the U.S. Department of Housing and Urban Development (HUD) requires localities to provide certain reports generated by the Integrated Disbursement and Information System (IDIS) for public review. These reports are under separate cover. The City of Ann Arbor uses the system and includes projects and expenditure information. Because the reports may not fully reflect program accomplishment and expenditure information, the reports are provided merely for supplementary information in order to meet the HUD requirement. Citizens are encouraged to review the narrative and table information contained in the CAPER document that provides a more accurate report of local accomplishments.

CITY OF ANN ARBOR
FY 2003-04 (July 1, 2003 – June 30, 2004)
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

EXECUTIVE SUMMARY

The City of Ann Arbor's Consolidated Annual Performance and Evaluation Report (CAPER) describes FY 2003-04 accomplishments resulting from the use of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) funds. They are components of a single strategy for meeting locally defined housing and community development needs. This report also details projects and programs completed during the period and measures the housing accomplishments compared to the goals established in the City's FY 2000-2005 Consolidated Strategy and Plan. While the CAPER uses the required Department of Housing and Urban Development's (HUD) Integrated Disbursement and Information System (IDIS) as a means of tracking expenditures and reporting performance, citizens are encouraged to review the narrative and tables in the document to help assess actual performance.

This narrative report, as well as the IDIS financial information, reflects the activities undertaken within the community between July 1, 2003 and June 30, 2004. In FY 2003-04, Ann Arbor received \$1,347,000 in CDBG Entitlement funds and \$1,053,540 in HOME funds. An additional \$232,873 in CDBG funds and \$17,142 in HOME funds was generated as program income and reutilized for programs. Accomplishments noted in the report include:

- Public service programs funded with CDBG dollars served 1,253 extremely-low, very-low and low-income households and individuals.
- 100% of the CDBG funds were utilized to support low-income households or families.
- Ten single-family dwellings, occupied by very low-income households, were rehabilitated. An additional sixteen homes were tested for Lead-Based Paint Hazards.
- The City's Homeownership Program assisted three very-low and low-income families with down payment assistance.
- The City continued support for the development of 30 new permanent supportive housing units for individuals and families.
- The City supported the construction of 55 permanently affordable condominiums.
- The City supported the construction of a 17,000 square foot food distribution warehouse.
- The installation of three handicap accessible ramps to non-elderly disabled homes to improve access.
- Four group homes for 24 extremely low-income adults were acquired to provide permanent supportive housing.
- Provision of tax and mortgage foreclosure prevention assistance for 11 very-low income homeowners.
- There were 19 loan subordinations approved from the Single-Family Rehabilitation Program and 14 terminations due to loan payoffs.

The report identifies over \$2.4 million received by the City from the Department of Housing and Urban Development (HUD) for housing and human services with an additional \$11 million received by other entities from various federal, state and local sources for housing programs underway in the city. Each affordable housing project committed or completed during the period is identified in the report and includes funding sources. Various HUD-funded Supportive Housing Programs and Michigan State Housing Development Authority (MHSDA) programs are described as well as efforts underway by the Ann Arbor Housing Commission. City of Ann

Arbor and Washtenaw County homelessness efforts are detailed and an overall assessment of the city's performance in meeting the needs is also included.

A short description of local Community Housing Development Organizations (CHDOs) is provided as well as descriptions of housing projects underway by other housing nonprofit entities. The report details matching contributions provided to meet HUD's 25% local match requirement.

The report details the active involvement in the City's federally funded programs by citizen volunteers serving on citizen advisory boards, including the CDBG Executive Committee, the Waiver and Review Board and the Housing Policy Board.

Citizens are encouraged to review and comment on the report. It is available at the following locations: City Center, Community Development Office, 220 E. Huron, Suite 760; Guy C. Larcom Municipal Building, City of Ann Arbor Clerks Office, 100 N. Fifth, 2nd Floor; Ann Arbor District Library, 343 S. Fifth, 2nd Floor Resource Room; Bryant Community Center, 3 West Eden Court; Ann Arbor Housing Commission, 727 Miller Avenue; and on the City's website at www.A2gov.org.

Comments should be submitted in writing to: City of Ann Arbor, Community Development, P.O. Box 8647, Ann Arbor, MI 48107 or by e-mail to tstclair@ci.ann-arbor.mi.us.

**CITY OF ANN ARBOR
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
FY 2003 July 1, 2003 - June 30, 2004**

INTRODUCTION

The City of Ann Arbor FY 2000-2005 Consolidated Strategy and Plan, approved by the Department of Housing and Urban Development (HUD) in June 2000, detailed comprehensive housing and community development needs and outlined a strategy to address those needs. The City's FY2003 One Year Action Plan, the fourth of five One-Year Action Plans, was approved by HUD on September 26, 2003.

The City developed its Five-Year Consolidated Strategy and Plan and One-Year Action Plan with citizen input, including numerous meetings with residents, local nonprofit entities and advocates, housing providers and others in the community to determine needs and establish priorities for assistance. 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. Increasing access to public/human services is also a strong component of the City's efforts.

The Consolidated Annual Performance and Evaluation Report (CAPER) is a compilation of projects and programs completed during the period July 1, 2003 through June 30, 2004 relating to the identified housing and community development needs. The CAPER will include the following sections of narrative statements:

Overall Plan Narrative

The Overall Plan Narrative includes an assessment of progress made on its Five Year Goals and Objectives, fair housing activities, evaluation of current efforts to increase the supply of affordable housing, Continuum of Care summary, other actions to address needs of low-income residents, list of leveraging resources and a self-evaluation.

Community Development Block Grant (CDBG) Narrative

The CDBG Narrative includes an assessment of how CDBG funds were used to meet identified high priority needs, efforts made to implement the Consolidated Plan, rehabilitation of owner-occupied and non-profit organization owned housing units, development of public facility and improvements, scope and impact of public services, a program income analysis and a discussion of loans and other receivables.

HOME Program Narrative

The HOME Program Narrative includes results of on-site inspections of affordable rental units assisted under HOME, assessment of affirmative marketing activities and outreach to minority and women-owned businesses, data detailing the amount and use of program income, projects and tenant characteristics, analysis of HOME funds distribution to meet identified housing needs as outlined in the Consolidated Plan, Part III of HUD Form 4107 and match contributions using the HOME Match Report HUD Form 4107A.

Public Participation

A description of activities to meet the public participation requirements is included with a summary of comments received.

OVERALL PLAN NARRATIVE:

Resources available to the City of Ann Arbor to address priority needs from July 1, 2003 through June 30, 2004 included:

\$1,347,000 CDBG funds
\$ 232,873 CDBG Program Income
\$1,053,540 HOME funds
\$ 17,142 HOME Program Income
\$1,363,905 City of Ann Arbor General Funds for housing and human services supports
\$ 361,105 Ann Arbor Housing Trust Fund
\$ 26,345 Housing and Human Services Contingency Fund

Additional federal, state and local resources were available within the community through other allocating entities to support the needs as identified in the FY 2000-2005 Consolidated Plan included:

\$2,871,817 Supportive Housing Program (SHP) funds
\$ 401,900 Emergency Shelter Grants (ESG)
\$ 887,688 Shelter Plus Care (SPC) funds
\$3,717,018 Washtenaw United Way allocations
\$ 138,300 Washtenaw County Community Development Block Grant (CDBG)
\$ 681,229 Washtenaw County HOME funds
\$ 794,577 Washtenaw County General Funds for Human Services
\$ 90,700 Housing Opportunities for People With AIDS (HOPWA)
\$ 176,338 Federal Emergency Management Agency funds

Assessment of Five Year Goals and Objectives:

The objectives identified in the FY 2000-2005 Consolidated Strategy and Plan and the FY 2003 One Year Action Plan are as follows:

- **Expand and the supply of affordable rental housing and preserve the existing housing stock**

1. The City projected 20 single-family homes would be rehabilitated (6 extremely low, 12 very-low and 2 low-income homeowners). *The City completed 10 rehabilitations (4 extremely-low and 6 very-low income; 6 African -American and 4 White homeowners). A total of \$368,132 was expended. An additional 16 homes were tested for Lead-Based Paint hazards. 19 loans were subordinated and 14 were repaid to the City totaling \$230,557. Completions were lower than expected due to a combination of higher than average costs per home, complexity of the needed repairs and fewer funds available from prior year residuals.*
2. The City expected to contract with several nonprofit housing organizations or private organizations to provide approximately 100 units of affordable housing for extremely- low, very-low and /or low-income renters. *The City contracted with Washtenaw County Health Organization to acquire and rehabilitate 4 group homes for 24 extremely low-income adults. The City continued working with a CHDO, Avalon Housing, to develop 30 units of permanent supportive rental housing known as Carrot Way. Legal procedures related to tax credit financing to secure the final funding for the Carrot Way Apartments project at 1731 DhuVarren Road delayed construction until Summer 2004. The City worked with Michigan*

Ability Partners to locate a site to build 10 units of permanent supportive housing. The City continued working with the private developers of Broadway Village to provide 29 units of low-income rental housing, the developers of 1310 S. Main to provide 2 units of low-income rental housing, the developer of the Eaton Building to provide rental housing, the developer of Heron Landing to include affordable rental units, the developer of a senior housing and assisted living development to include affordable units, a single-family rehabilitation program contractor to acquire and rehabilitate 4 rental units, the developer of North Quad to provide 20% affordable student housing and the developer of Corner House Lofts to provide 3 units of low-income rental housing. The City entered into discussions about enabling developers to make a contribution in lieu of affordable units in Planned Unit Developments (PUD) when a financial contribution was in the best interest of the City. This option will impact the inclusion of affordable units in some market rate developments and provide financing for other affordable housing developments.

3. *Avalon Housing was to continue operating 141 units of rental housing for extremely-low income households. Rehabilitation of 47 units was to be completed. New construction of 30 new rental units was also planned. Avalon continued to manage 141 units for extremely-low income households and acquired a duplex at 517 W. Summit. Rehabilitation of 9 units and sewer line work at 800 Stimson (\$5,190); appliances and bathroom repair at 211 E. Davis (\$2,740); interior wall-rebuild at 610 W. Summit (\$1,940). Initial construction of Carrot Way Apartments was started.*
4. *Washtenaw Affordable Housing Corporation (WAHC) was to continue operating 81 rental units for very-low income households. Rehabilitation projects at all three sites was to continue. WAHC continued to manage 83 rental units for very-low and low income households. Boilers were replaced, exterior repairs and kitchen/bath for 1 unit at Parkhurst Apartments, 1500 Pauline (\$51,055); new roof, kitchen and electrical work at 13 Metroview (\$8,400); bathroom/kitchen for 2 units at Parkside, 701 Miller (\$1,850).*
5. *Community Housing Alternatives (CHA) was to continue operating 9 units for extremely-low income households and complete rehabilitation work on 5 units. CHA continued to manage 9 units of rental housing for extremely-low income individuals. Rehabilitation projects included: water heater replacement at 9 Rockland (\$425), sewer investigative work at 100 Glendale (\$550), repair floors/electrical work at 1911 Dexter (\$6,850).*
6. *Neighborhood Senior Services was to construct 4 wheelchair ramps for persons with disabilities. CDBG funds from FY 2002-03 were utilized during the FY 2003-04 program year to construct 3 ramps. CDBG funds (\$15,500) allocated for FY 2003-04 were not used prior to the end of the contract and were returned to the City and reallocated to other projects.*
7. *Home of New Vision was to continue to operating transitional housing for chemically dependent women and expand by providing 4 units of permanent housing for women exiting the program. The organization's Board of Directors decided not to expand its mission to include management of rental housing.*
8. *The City used private financing and Ann Arbor Housing Trust Funds to acquire the YMCA building at 350 S. Fifth Avenue, which includes 100 Single Room-Occupancy Units, to ensure that the preservation of 100 units of affordable housing are addressed in the redevelopment plan for the site.*

▪ **Increase homeownership opportunities for lower-income families**

1. *Support for the creation of first-time homeownership opportunities was to occur through the Ann Arbor Housing Commission's partnership with Community Housing Alternatives (CHA) Section 8 Homeownership pilot program. There were 18 individuals who completed the*

Section 8 Homeownership program and are now working on improving credit issues; 3 have been pre-approved and are searching for affordable housing.

2. The Washtenaw Homeownership Education Project (WHEP), a collaboration of Michigan State University Extension Services, POWER Inc. and CHA would also continue preparing low-income households for homeownership. *There were 15 city residents who participated, of which 3 purchased a home during FY 2003-04.*
 3. The City will operate a homeownership program to provide downpayment assistance to 9-12 eligible, first-time homeowners. *Three households were assisted to purchase homes in Ann Arbor. Two were single-family units and one was a condominium. One household was very-low income and the others were low-income.*
 4. The City will work with CHA and a private developer to construct 55 new affordable condominiums for low and moderate-income (up to 100% Area Median Income) households. *Construction is nearly completed of Stone School Town Homes, 2101 – 2169 Stone School Road, with occupancy expected Fall 2004. Public and private subsidies were allocated to offer 19 units affordable to households at 60% AMI, and 12 units affordable to households at 80% AMI. The remaining units will be offered to households up to 100% of the Area Median Income.*
 5. The City continued working with private developers of market rate housing to include affordable homeowner unit in their developments. Those developments included: Mallett Woods, North Main Condominiums, Hideaway Lanes, Windmill Place and a development on Jackson Road.
 6. Habitat for Humanity began construction on 3 of 5 homes on Ferry street for very low-income homeowners. Construction will be completed in the Fall of 2004 and Fall of 2005.
 7. The City began working with the Homeplace Community Land Trust to develop affordable homeownership units.
- **Increase housing alternatives for homeless persons and families, and for other persons with special needs.**
1. The City proposed to serve 253 extremely-low income homeless or formerly homeless households through support services to tenants living in housing owned by Avalon Housing Inc., Community Housing Alternatives and Washtenaw Affordable Housing Corporation. *The City invested \$67,900 to serve 250 households through these organizations.*
 2. Supportive services to increase housing stability for 560 extremely-low income individuals and families would be provided by the Ann Arbor Housing Commission at its four public housing sites, Washtenaw County Community Support Treatment and Services' Project Outreach Resource Team (PORT), Michigan Ability Partners and SOS Community Services. Fairy Godparents purchased 80 beds for distribution to newly housed homeless families. *The City invested \$225,500 to serve 756 households.*
 3. Emergency shelter and transitional housing organizations receiving support through the City were projected to serve more than 400 extremely-low income homeless households. Construction of a new 50-bed shelter was expected to open this year. *The Delonis Center opened November 2003 and provides a variety of homeless support services. The following organizations were funded and served number of Ann Arbor residents indicated: The Shelter Association of Washtenaw County (769); Interfaith Hospitality Network (28); The Ozone House (52); Catholic Social Services' Father Patrick Jackson House (13); Home of New Vision (110) and Domestic Violence Project SAFE House (28). The City invested \$292,100 to serve 1,000 households.*

4. Homeless prevention activities by Legal Services of South Central Michigan, Fair Housing Center and the Tax and Mortgage Foreclosure Prevention Program at the University of Michigan Housing Bureau for Seniors were projected to serve 762 households. *LSSCM provided legal services and/or tenant counseling (formerly provided through the now dissolved Ann Arbor Tenants Union) to 794 households, 25 households received services from the Fair Housing Center and 31 households received assistance from the Housing Bureau for Seniors. A total of \$110,900 was invested to serve 850 households.*
- **Promote economic stability and increase access to human services for individuals, families and other persons with special needs.**
 1. The City proposed to serve approximately 5,000 extremely-low and very-low income individuals through City Human Services General Funds (\$1,292,655) and CDBG Public Services funds (\$396,000) allocated to nonprofit entities. *It was reported that 7,440 individuals were served by 52 nonprofit organizations during FY 2003-04.*
 2. The City contracted with several organizations to provide services to benefit 370 extremely-low and very-low income youth and families. *Child Care Network provided funding for 152 children to access childcare; Help Source provided case management services to 20 pregnant or parenting teens and a Big Brother/Big Sister for 80 youth from single parent households; the Center for Occupational and Personalized Education provided access to alternative education for 14 youth; The Family Learning Institute served 88 children who were performing below grade level; Student Advocacy Center assisted the parents of 70 youth at risk of or expelled to access more appropriate education; The Women's Center of America ran a special Girls Group for 8 pre-teens from Pinelake Village Cooperative. A total of \$282,500 was invested to serve 432 youth and their families.*
 3. Recreational and enrichment activities not limited to low-income households to be supported by the City's Youth Challenge Fund (\$71,250) were projected to serve 740 youth. *More than 200 youth participated in the Youth Empowerment Project's efforts to provide service-learning, leadership and community involvement; more than 500 youth participated in programs offered by the Ann Arbor Teen Center; the Ann Arbor YMCA program Chain of Plenty provided an opportunity to learn work skills to 36 high school students with developmental disabilities.*
 4. Programs for persons with disabilities and/or frail senior citizens anticipated serving more than 1,000 individuals with various forms of assistance. *Neighborhood Senior Services provided chore/home safety services, access to medical appointments and other support services to 296 low-income senior households; The Ann Arbor Center for Independent Living assisted 176 individuals with disabilities; the Housing Bureau for Seniors provided housing support and other services to 238 seniors; Catholic Social Services assisted 708 seniors to access financial benefits through tax preparation and/or Medicaid applications; HIV/AIDS Resource Center provided case management and support to 41 individuals; Trailblazers of Washtenaw offered discounted art classes and open studio to 49 persons with mental illness. A total of \$150,600 was invested to serve 1,508 individuals.*
 5. Low-income uninsured individuals will have increased access to health care services through subsidies and services provided by several health/dental clinics. *The Regents of the University of Michigan supports several programs that serve low-income individuals: Community Dental Center (313), Community Family Health Center (153), Motor Meals of Ann Arbor (72). Packard Community Clinic provided subsidized general care for 171 very-low income patients. The Corner Health Center provided pre-natal care and related services to 92 teens. Hope Medical Clinic provided low cost dental exams for 153 individuals and Planned Parenthood of Mid-Michigan served 45 Spanish-speaking women. A total of \$153,600 was invested to serve 999 individuals.*

6. Employment support activities were supported to serve an estimated 305 individuals. *The Women's Center of America assisted 112 women with job searches and resume building. Washtenaw Literacy provided tutors for 43 adults and 105 participated in group English-as-a-Second-Language workshops. The Center for Empowerment and Economic Development provided small business training workshops for 15 low income women; 5 started their own businesses. The Options Center assisted 175 ex-offenders prior to experiencing financial and organizational difficulties and closing mid-year. In response, the City and other funders are working with other nonprofit organizations to fill the service gap targeted for ex-offenders. A total of \$68,000 was invested to assist 450 individuals.*

7. In addition, the City supports activities at several community centers that provide family support services, emergency financial assistance, youth day camps, tutoring and after school programs and a variety of family enrichment activities. *Arrowwood Hills Cooperative reported 69 youth participants; Ann Arbor Community Center reported serving 132 youth; Community Action Network and the Ann Arbor Art Center provided programs at Hikone and Green Baxter Court public housing sites for 53 families; the Community Leaning Post reported working with 55 families and Peace Neighborhood Center reported serving 72 youth through its summer / after school programs; The Ann Arbor Hands On Museum provided 910 free passes for field trips. A total of \$177,500 was invested to support activities serving over 380 youth and families.*

8. The City contracted with several organizations to provide emergency and supplementary food and prepared meals to extremely-low income residents. *Food Gatherers delivered 890,049 pounds of food valued at \$1,415,178 to 77 different programs in the community. The Ann Arbor Hunger Coalition served evening meals to an average of 140 individuals each night at rotating church sites until the program was relocated to the Delonis Center in November 2003. St. Andrews Breakfast Program continues to provide morning meals to an average of 130 individuals each weekday. In addition, 561 households received food through Catholic Social Services' Food Pantry Program. A total of \$73,300 was allocated toward food programs. In addition, the City contributed \$200,000 for the construction of Food Gatherers Inc. new food distribution warehouse that opened in Fall 2003.*

Geographic Distribution:

The City does not have any designated or targeted service areas. The City's housing and human services programs are implemented on a citywide basis to benefit extremely-low, very-low and low-income households.

Affirmatively Furthering Fair Housing:

The City remains committed to nondiscrimination and equal opportunity as it relates to housing opportunities, furthering the objectives of Title VIII of the Civil Rights Acts of 1968, Executive Order 11063 and its Human Rights Ordinance. This compliance language is included in contracts with entities receiving federal or local funds and requires nonprofit housing entities receiving federal funds to develop and plan to further affirmative marketing.

The City received 18 human rights complaints of which 2 were housing related and were referred to the Fair Housing Center of Southeastern Michigan. The City's Human Rights Coordinator terminated employment in December 2003; due to budget cuts the position was not refilled and complaints are now referred to other agencies as appropriate.

An allocation of \$13,000 in City General Funds to the Fair Housing Center of Southeastern Michigan supported testing and investigation services. There were 121 fair housing complaints filed; 31 involved properties located within the City of Ann Arbor of which 28 were rental and 2

cooperatives. Types of complaints were: 35% physical disability; 26% race; 19% source of income; 16% familial status; 10% age, marital status, mental disability; 6% national origin, sex.

Impediments to fair housing choice are mitigated by the following on-going City efforts:

- Having a Human Rights Ordinance
- Funding the Fair Housing Center of Southeastern Michigan for investigation/testing activities
- Funding eviction prevention, tenant counseling and fair housing activities
- Working with local nonprofits and the lending community to provide sources of financing for multi-unit projects and low-income borrowers
- Working with nonprofit and for profit groups in identifying and approving sites for new construction of housing for low-income persons
- Providing assistance through housing and human services programs for extremely low, very low and low-income persons, including members of minority groups, female-headed households and persons with disabilities
- Making materials available to the public on federal and local fair housing laws and procedures
- Providing funds to Housing Bureau for Seniors to assist very low-income residents with tax and mortgage foreclosure prevention
- Funding and direct service for the City's Homeownership Program designed for first time homebuyers
- Working with Community Housing Alternatives, POWER, Inc. and Michigan State University Extension Services to form the collaboration called Washtenaw Homeowner Education Program (WHEP)

The City also contracted with the Fair Housing Center of Southeastern Michigan to conduct the Impediments to Fair Housing Study as is mandated by the Department of Housing and Urban Development. The results of this study will be made available for public review and comment during FY 2004-05.

Public Facility and Improvements:

The City allocated \$200,000 in CDBG funds to Food Gatherers Inc. to support the construction of a new 17,000 square foot warehouse facility that was completed and open for business in Fall 2003. Anticipated gains in efficiency are estimated to increase food rescue and distribution capabilities by 50% to over 3 million pounds of food annually. Other gains include: ability to accept larger donations (ie. semi-trailer loads); steady supply and greater variety of shelf stable food items; easier and handicap accessible entrance to shoppers pantry; procurement of discounted paper products and other goods used by food programs; permanent venue to conduct regular food safety trainings. In addition, the adjoining parcel has been cleared of the previous warehouse facility and sold to Avalon Housing for construction of affordable 30 rental units.

Affordable Housing:

The City continues to support the preservation of housing affordable to extremely-low, very-low and low-income households. Three nonprofit organizations that own and operate a total of 204 affordable rental units in the City of Ann Arbor received funding to rehabilitate and preserve those units: Avalon Housing (143 units), Community Housing Alternatives (9) and Washtenaw Affordable Housing Corporation (82). A total of \$137,300 in CDBG and \$63,000 in City General Funds were allocated.

In addition, \$52,677 in HOME operating funds was allocated to support the development activities by the organizations certified as Community Housing Development Organizations (CHDO's). These activities included: pre-development, planning and construction activities to create 30 family size new rental units by Avalon Housing and pre-development, planning, and

buyer education activities to create 55 new condominiums by Community Housing Alternatives in partnership with a for profit developer

Other affordable housing activities during FY 2003-04 included: the sale of a duplex by Washtenaw Affordable Housing Corporation to Avalon Housing, Inc.; sale of a single-family rental property by Washtenaw Affordable Housing Corporation to a low income family; acquisition of four homes by Washtenaw County Health Organization to house adults; completion of 3 single-family homes by Habitat for Humanity; pre-development of 10 supportive housing units by Michigan Ability Partners; planning and negotiations by City staff, elected officials and community members to preserve the 100 units of rental housing as part of the redevelopment of the downtown YMCA site.

The FY 2003 Annual Action Plan projected 100 units of permanently affordable housing for extremely-low, very-low and low income renters. It was anticipated that negotiations would be completed regarding the inclusion of 29 affordable units in the new Broadway Village mixed-use development. Several reviews of the site plan by the City of Ann Arbor Planning Commission and City Council delayed the approval of the development agreement past the end of the fiscal year. A Brownfield Redevelopment Plan was approved by the City and is awaiting approval by the State. In addition, there were several new residential development projects proposed by for profit developers that were anticipated to include 20% of the units as affordable to low-income households. Given the high costs of infrastructure and construction in the City of Ann Arbor, developers requested the Housing Policy Board consider amending the Planned Unit Development ordinance to allow contributions to the Ann Arbor Housing Trust Fund instead of including affordable units in the development.

There are several low income tax credit and HUD-financed developments that provide affordable housing but whose commitment will soon expire: 22 units at Homestead Commons until 2006; 32 units at Parc Point Apartments until 2005; 114 units at Courthouse Square which are planned to remain affordable after the 2005 expiration date; 46 units at Mill Creek were affordable but went market rate after the expiration in 2003.

Finally, the City of Ann Arbor has several cooperatives that were financed with 40 year HUD mortgages and made available to low-income families. Upon expiration of the mortgage the cooperative members may choose to remain affordable or can opt to become market rate: 350 units at Arrowwood Hills Cooperative until 2009; 427 units at Colonial Square until 2006; 306 units at Forest Hills Cooperative until 2011; 129 units at Pinelake Village Cooperative until 2014; 605 units at University Townhouses until 2009. The City has expressed interest in working with the cooperatives to extend the affordability of the units.

Continuum of Care Narrative:

Considerable efforts have continued over the past year to address the needs of homeless persons and the special needs of many who are not homeless but require supportive housing. The City of Ann Arbor and Washtenaw County regularly collaborate on programs and activities to consolidate the community's efforts to end homelessness.

The Washtenaw County/City of Ann Arbor Continuum of Care Board was created in 1998 by Washtenaw County government, in collaboration with the City of Ann Arbor. The Continuum of Care Board replaced the Interagency Shelter and Housing Council, which had been comprised entirely of non-profit housing and supportive services providers. The C of C Board is designed to be a broad-based community planning body to look at both short-term and long-range strategies regarding homelessness prevention and interventions, as well as long-term strategies

for creation and retention of affordable housing. The goal is also to bring multiple community planning activities related to homelessness service planning into one comprehensive ongoing planning structure. Since 1998, Continuum of Care Board coordination has been funded by the Washtenaw County Administrator's Office. The Deputy County Administrator is a member of the Continuum of Care Board. The Human Services Coordinator of the City's Community Development Department represented the City of Ann Arbor on the C of C Board. More recently Ann Arbor's Housing Coordinator has represented the city. The C of C Board provides representation from all community sectors, both public and private sector and consumer perspectives.

Membership includes individuals who also participate in the development and implementation of other community planning processes and activities. These include the City of Ann Arbor and Washtenaw County Consolidated Strategies and Plans, the Washtenaw County Comprehensive Plan, the 5-year plans for Ann Arbor and Ypsilanti Housing Commissions, the Human Services Collaborative Council (HSCC), the Washtenaw Housing Alliance, the City of Ann Arbor Housing Policy Board and other local community plans. Board members are selected by the nominating committee to ensure balanced representation. Members are either ex-officio because of the position or elected to represent a particular group of service beneficiaries. The Human Services Collaborative Council (HSCC) and the Washtenaw Housing Alliance (WHA) are the lead partners of the C of C Board.

The C of C Board has three standing committees; the HMIS Steering Committee (for policy and development purposes); the HMIS Users Group (for data entry and data management personnel at the individual agency level); and the Nominating Committee. In addition, the C of C establishes the Project Review Committee to assist in evaluation of new and renewal proposals and to make prioritization recommendations to the Board. In addition, ad hoc work groups are appointed to review renewal projects by using program evaluation tools to determine whether projects are performing satisfactorily and effectively. This work group reviews new proposals to verify they meet required HUD criteria, address match and supportive services resources satisfactorily and fit within the general framework of the C of C. Finally, the C of C and the WHA have created a joint work group for purposes of data collection and analysis. The joint work group provides detailed information that is then used to inform the Gaps Analysis and the local 10-Year Plan to End Homelessness, which is being developed by the Washtenaw Housing Alliance (WHA) with the approval of the C of C Board.

The WHA is a consortium of ten non-profit organizations that formed in the mid-1990's, as a result of an effort to systematically address homelessness in Washtenaw County. These efforts resulted in the development of a plan to implement a 3 Phase Work Plan. Phase I was to improve emergency sheltering services for homeless families. As a result of this effort, the Interfaith Hospitality Network was able to open a new family shelter called Alpha House in March 2001. Phase II was to improve emergency services for homeless individuals. The construction of the new 50 bed Delonis Center which opened November 2003 is the most apparent result of Phase II. Phase III is to develop a sufficient number of permanent, affordable units of primarily supportive housing to meet the permanent housing needs of both homeless individuals and families. WHA is just starting to work on this phase of their work, in conjunction with the Continuum of Care Board and local nonprofit housing developers.

In addition to the committees and work groups, the C of C Board has "affiliate status" with the Human Services Collaborative Council, which is the local, state-mandated body that coordinates local human services, as a condition of state funding of programs. This means the Annual C of C Plan is reviewed and accepted by the HSCC Steering Committee and then established as the

plan for addressing homelessness for the county. The C of C Coordinator reports regularly on the progress to the HSCC Steering Committee. The Directors of all mainstream human service agencies are on the HSCC Steering Committee, and they are also members of the C of C Board. This joint membership enables better consistency of approach among the various participating organizations.

Homelessness Prevention

In FY 2003-04, the local Continuum of Care has made the following strides to better coordinate homeless services in Washtenaw County:

- The Washtenaw County Board of Commissioners highlighted Homelessness and Housing as one of its budget priorities in the 2004-2005 biennial budget plan.
- The 2004-2024 Washtenaw County Comprehensive Plan (revised every 5 years) has a Housing element with goals to address homelessness, among other low income housing goals.
- Washtenaw County has administered four Shelter Plus Care grants, totaling over \$500,000 per year for six years. In November 2003, to achieve greater efficiencies and to bring the public housing commission more actively (based on their expressed interest) into the C of C system, grantee-ship of the SPC programs was transferred from Washtenaw County government to the Ann Arbor Housing Commission, with the written approval of the Detroit field office.
- Washtenaw County government has also taken the lead in this community for development of a new emergency sheltering system (chronically homeless and homeless families), and in promotion of supportive housing and generally affordable housing opportunities throughout the county.
- Through its Community Development Program, the County continues to take a lead role in the local ESG application process to the Michigan State Housing Development Authority (MSHDA).
- The County Community Development Program is in its fourth year of administering a HOME Consortium, which consistently funds rental projects specifically designated for low-income residents.
- Washtenaw County and the City of Ann Arbor are CDBG Entitlement Communities. Public Services funding has been directed to homeless prevention activities, such as representative payee services for disabled populations (many formerly homeless) and child care scholarships.
- Through its Community Supports and Treatment Services, CSTS (formerly CMH) division, the County and the City of Ann Arbor supports the Project Outreach Team (PORT), the street outreach program for homeless individuals. CSTS was instrumental in bringing the McKinney-funded PATH grant into the community. PORT and PATH are administered jointly.
- Washtenaw County has implemented an HMIS using "ServicePoint" software. Washtenaw County is a participating member of the National Human Services Data Consortium.
- The COC/HMIS is participating in the national AHAR project.
- Washtenaw County's HMIS Coordinator is on the State of Michigan's (MSHDA) statewide HMIS Steering Committee.

The 2004 Continuum of Care application for HUD funding identified 7 goals as the community strategy to combat chronic homelessness as well as 6 additional goals to combat other types of homelessness. The 7 goals to end chronic homelessness are:

1. Restructure/revamp entire service delivery system for serving the homeless
2. Complete implementation of the HMIS
3. Increase the supply of permanent supportive housing
4. Secure a reliable funding stream for supportive services
5. Increase services to people with drug and alcohol addictions & co-occurring disorders
6. Expand opportunities for training and employment
7. Ensure quality & accountability in services/improve outcomes

The 6 goals to combat other types of homelessness follow:

1. Restructure/revamp entire service delivery system for serving the homeless

2. Complete implementation of the HMIS
3. Increase the supply of permanent supportive housing
4. Keep people housed via centralized housing services and eviction & foreclosure prevention
5. Expand opportunities for training and employment
6. Ensure adequate services for families and youth who are homeless

Emergency, Transitional, and Permanent Supportive Housing

The following tables are from the 2004 Washtenaw County/ City of Ann Arbor HUD Application and summarize the current emergency, transitional, and permanent supportive housing provided in the Washtenaw County/ City of Ann Arbor Continuum of Care, along with those units under development in the Continuum.

EMERGENCY SHELTER											
Provider Name	Facility Name	HMIS	Geo Code	Target Population 2004 Year-Round Units/Beds					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Year-Round	Seasonal	Overflow/Voucher
Current Inventory											
The Domestic Violence Project, Inc.	SAFE House	N	269161	FC	DV	13	35	14	49	-	-
Interfaith Hospitality Network of Washtenaw County	Alpha House	C	269161	FC		6	24	-	24	-	5
Michigan Ability Partners	YMCA Room	C	269161	SMF		-	-	1	1	-	-
Ozone House	Ozone House Emergency Youth Shelter	N	269161	YMF		-	-	6	6	-	-
Ozone House	YMCA	N	269161	SMF		-	-	1	1	-	1
Project Outreach Team	YMCA	C	269161	SMF		-	-	2	2	-	-
SOS Community Services	Prospect Place	C	269161	FC		6	24	-	24	-	-
The Salvation Army of Washtenaw	Staples Family Center	C	269161	FC		10	25	10	35	-	24
The Shelter Association of Washtenaw County	Delonis Center	C	269161	SMF		-	-	50	50	6	-
SUBTOTAL						35	108	84	192	6	30

TRANSITIONAL HOUSING											
Provider Name	Facility Name	HMIS	Geo Code	Target Population 2004 Year-Round Units/Beds					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Total Beds	Seasonal	Overflow/Voucher
urrent Inventory											
Dawn Farm	Dawn Farm	N	269161	SMF		-	-	13	13		
Catholic Social Services	Father Patrick Jackson House	P-10/04	269161	FC		5	10	-	10		
Home of New Vision	Scattered sites	N	269161	SF		5	15	31	46		
Light House, Inc.	Light House, Inc.	N	269161	SMF		-	-	8	8		
Michigan Ability Partners/WISH	Cross Street	C	269161	SM		-	-	6	6		
Ozone House	Miller House	N	269161	YMF		-	-	7	7		
Project Outreach Team	YMCA	C	269161	SMF		-	-	2	2		
SOS Community Services	SOS Transitional Housing Program	C	269161	FC		16	64	-	64		
SUBTOTAL						26	89	67	156		
nder Development:											
Project Outreach Team	YMCA	C	269161	SMF		-	-	1	1		
Light House, Inc.	Light House, Inc.	N	269161	SMF		-	-	10	10		
SUBTOTAL						0	0	11	11		

PERMANENT SUPPORTIVE HOUSING											
Provider Name	Facility Name	HMIS	Geo Code	Target Population 2004 Year-Round Units/Beds					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Total Beds	Seasonal	Overflow/Voucher
Current Inventory											
Avalon Housing, Inc.	Scattered Site	P-10/04	269161	SMF		9	24	28	52		
Michigan Ability Partners	Gateway SPC Vouchers	C	269161	SMF		-	-	8	8		
Michigan Ability Partners	Home Zone SPC Vouchers	C	269161	SM	VET	-	-	7	7		
Michigan Ability Partners	Scattered Site SPC Vouchers	C	269161	SMF		-	-	27	27		
Ozone House	HUD SHP project	N	269161	SMF		-	-	6	6		
POWER, Inc.	Rental Subsidies Scattered Sites	P-10/04	260192	FC		8	32	-	32		
Shelter Association of Washtenaw County	SPC Vouchers	C	269161	SMF		2	6	27	33		
SUBTOTAL						19	62	103	165		
Under Development:											
Michigan Ability Partners	ICAN Perm. Supportive Housing	C	269161	SMF		-	-	4	4		
Avalon Housing, Inc.	Carrot Way	P-10/04	269161	SMF		4	10	10	20		
SUBTOTAL						4	10	14	24		

Assistance to Persons with Special Needs

The WHA 10-year plan to end homelessness contains a section on permanent supportive housing, which will outline the community plan to develop housing that is supportive to individuals with a variety of special needs. That plan is projected for completion in late 2004, so implementation is expected to begin in early 2005.

Housing Services to persons with HIV/AIDS are provided through the HIV/AIDS Resource Center (HARC) and their Housing Specialist. HARC provides assistance with housing location, eviction prevention, and permanent housing plans. In addition, HARC also administers HOPWA certificates that provide direct financial housing assistance for eligible clients. Through a subcontract with Synod Residential Services, HOPWA clients also receive residential supportive services, including: medication adherence, transportation to medical appointments, financial management, payee services, and in-home assistance. HARC also provides HIV/AIDS testing, supplemental food, counseling and outreach, prevention and case management. HARC receives a HOPWA grant in the amount of \$125,595 that supports rental and mortgage

subsidies, utilities, move-in costs, and assistance with delinquent property taxes in four counties, including Washtenaw.

New Resources Obtained

During the 2003-2004 HOME/CDBG Program year, the local Continuum of Care received Supportive Housing Program and Shelter Plus Care funding from the U.S. Department of Housing and Urban Development (HUD), as well as Emergency Shelter Grant funding from the Michigan State Housing Development Authority (MSHDA)- see detail below.

In late 2003, HUD funded the following local Continuum of Care Supportive Housing and Shelter Plus Care Programs for program years beginning in 2004:

2003 HUD Supportive Housing Program & Shelter Plus Care Funding	
Avalon Carrot Way Shelter Plus Care Vouchers (5 years)	\$250,380
Avalon Housing –Pontiac Trail: This grant specifically funds property management operations and permanent housing support services for formerly homeless tenants at Pontiac Trail, as well as those at other properties.	\$83,334
Avalon Housing –Ashley: Renewal funding for permanent supportive housing for individuals and disabled persons, particularly those with dual diagnosis.	\$86,534
Michigan Ability Partners- Gateway: Renewal funding for one year of ongoing case management services, housing supports, and employment supports for the four principal residents of the Gateway units built with SHP funding in previous years.	\$41,316
SOS Community Services –Families Forward: Renewal funding to provide 80-100 homeless families a year with case management, employability supports, children’s services, transportation assistance, post-transitional follow-up and other related supportive services	\$433,994
SOS Community Services – Renewal funding for the Family Support Network (IA/II) – provides case management and housing placement to homeless families, substance abuse treatment and childcare, crisis outreach, intake, assessment, the Housing Crisis Team, post-crisis follow-up services and legal advocacy.	\$1,181,940
SOS Community Services – Renewal funding for the Family Support Network I – The New Horizons substance abuse treatment services and related child care, the Time for Tots program.	\$394,732
SOS Community Services – Renewal funding for the family transitional housing program - By using a transitional housing model, homeless families have access to an array of supportive services including intensive case management, housing relocation assistance, education and employment opportunities and life skills training.	\$248,415
Avalon Housing- renewal funding for Shelter Plus Care SRA	\$130,824
Michigan Ability Partners- renewal funding for Shelter Plus Care TRA	\$67,644
Michigan Ability Partners- renewal funding for Shelter Plus Care SRA	\$247,656
Shelter Association- renewal funding for Shelter Plus Care TRA	\$191,184
Total	\$3,759,505

In the spring of 2003 and 2004, MSHDA approved the 2003-2005 allocation of Emergency Shelter Grant Funds for the following projects/ organizations within the local Continuum of Care:

2003 MSHDA Emergency Shelter Grant Funding	
Domestic Violence Project/Safe House – Emergency shelter operations and maintenance costs for victims of domestic violence and their families. Funding covers approximately 60%.	\$61,979.82
Ozone House – Emergency shelter operations for homeless youth. Funding is for operations and essential services.	\$53,901.53
Shelter Association of Washtenaw County – Emergency shelter operations for homeless individuals.	\$57,387.05
SOS Community Services – Transitional shelter operations for families, homelessness prevention services provided by SOS and other agencies.	\$142,724.61
Interfaith Hospitality Network – Transitional family shelter operations for Alpha House.	\$26,308.86
Father Patrick Jackson House – Trans. housing for pregnant & parenting teen mothers.	\$20,508.93
Michigan Ability Partners – Homeless veterans support services	\$15,794.62
The Salvation Army – Transitional individual and family shelter operations for Arbor Haven including supportive transitional services.	\$15,794.62
Washtenaw County Continuum of Care Board –administrative costs	\$7,500
Total	\$401,900

Other Actions:

The City of Ann Arbor supports a variety of other efforts to accomplish its goals in the FY 2000-05 Consolidated Strategy and Plan.

Building Together (formerly Christmas in April) - Staff from several city departments, elected officials and hundreds of individuals, contractors and trade members again supported the program in April 2004. This volunteer-driven, one day rehabilitation effort provided both major and minor improvements to eighteen very low income, elderly and/or disabled homeowners in the city. This year, the Community Development Department supervised rehab and sponsored two of the eighteen homes.

Ann Arbor Assistance Fund and Barrier Busters – Contributions are solicited from City of Ann Arbor residents through the ability to “round up” payments of quarterly water bills. This year, a total of \$6,178 was collected in addition to another \$5,000 in City General Funds allocated to the new Barrier Busters program to provide a single source for emergency requests related to eviction prevention, employment stability and healthcare. A total of 54 city residents received assistance from the fund as part of the wrap-around service engagement provided by over 30 participating nonprofit organizations.

Homeplace Community Land Trust – City staff continues to provide technical assistance and support to the board of the organization to develop capacity and to access funds in preparation for the development of its first affordable homeownership project. Funding has been secured from the Ann Arbor Area Community Foundation and MSDHA for these efforts. Draft ground lease documents have been prepared and are undergoing attorney review for enforceability under Michigan law.

Housing Bureau for Seniors Tax & Mortgage Foreclosure Prevention Program - The City continues to support the program with a contribution of \$21,500 for housing support services and \$13,500 in City General Funds for the specific assistance program. Eleven loans were made from the Ann Arbor Loan Fund totaling \$47,548. Thirty-one (31) very low-income households received assistance through the following services:

- Backdated Homestead Credit forms processed. Checks are received by homeowners and used to pay property taxes

- Completion of hardship applications
- Home Heating credit application
- Family resources
- Veteran services grant monies used to pay delinquent taxes
- Family Independence Agency (FIA) grant money used to pay toward delinquent taxes

The Housing Policy Board continues to review a variety of regulations and requirements relating to affordable housing development and is charged with the implementation of the Affordable Housing Plan. The Plan was approved by City Council in May 2000 and established several goal areas and implementation tasks. One area of focus during the year was to amend the city ordinance relating to Planned Unit Developments to allow a cash contribution to the Ann Arbor Housing Trust Fund to support the development of affordable housing at a different project site. In addition, the Mayor formed a Downtown Residential Task Force to make recommendations to meet a goal to add 1,000 housing units to the downtown area over the next 10 years.

The following are continued barriers to affordable housing development and recent focus areas for discussion by the Housing Policy Board: high cost and limited supply of land within city limits; lack of significant financial or other incentives for private developers to include affordable units; development costs attributed to city regulations; implications of federal regulations; the limited number of nonprofit agencies involved in housing development; the lack of stable funding sources for nonprofit operations and support services; decreasing amounts of public funds; and neighborhood concerns regarding nearby affordable housing developments.

A recommendation by the Housing Policy Board to allow a cash contribution in lieu of including affordable units in the Planned Unit Development was drafted for City Council approval in August 2004.

The City's Human Services Policy assures adequate levels of human services are made available to city residents, particularly the most vulnerable. Annual allocations are made from Community Development Block Grant and City General Funds to support a variety of human services programs. The Community Development Executive Committee is comprised of citizens who take an active role to determine the funding allocations to 50 nonprofit organizations. Several opportunities for public input were included in the FY 2004-05 proposal CD Executive Committee review process in order to better inform funding decisions. One member also serves as a liaison to the Housing Policy Board in order to provide input and ensure coordination funding for supportive services and housing rehabilitation to the nonprofit housing providers.

In July 1996 the City passed the Payment in Lieu of Taxes (PILOT) for housing projects for dedicated exclusively for persons with incomes less than 50% of the area median. The ordinance has reduced property tax levels for federal or state-funded nonprofit properties, to permit rent levels to remain more affordable. A total of \$134,435 in property tax exemptions from 28 nonprofit-owned rental properties was realized in 2003.

The City also maintains its commitment to providing local funding for housing with its annual allocation of General Funds to the Ann Arbor Housing Trust Fund. Each year, \$100,000 is allocated as part of the Community Development departmental budget. In November 1998, City Council also approved a resolution directing the proceeds from the sale of excess land into the Ann Arbor Housing Trust Fund. A total of \$234,292 was added during FY 2003-04 as a result of repayments, interest and contributions.

The City published “Creating Affordable Housing in the City of Ann Arbor: A Developer’s Guide” in August 2002. The city website also provides helpful information about the definition and need for affordable housing. It is intended to inform both nonprofit and private housing developers about the financial and zoning incentives available for including affordable housing units in their developments. Developers can exchange design flexibility for affordable units through a Planned Project or Planned Unit Development. In addition, a developer can receive a site plan review fee rebate by including housing units affordable to low-income households in the development.

Gaps in Institutional Structures:

While there are an inadequate number of affordable housing units in the community, there does not appear to be gaps in institutional structures regarding the provision of human service programs. Over the last year, there have been an increase in the mechanisms to enhance efficient and coordinated use of public resources including, the Human Services Collaborative Council and four action subcommittees, Area Agency on Aging Task Force, Mayor’s Downtown Street Outreach Task Force and the Barrier Busters Emergency Services Project. In addition, the Washtenaw Housing Alliance has taken the lead to develop a Blueprint to End Homelessness in 10 years in response to a new Federal mandate. Over 350 community members have participated in the process, which has brought funders, service providers, political units, business leaders, institutions of higher education, and citizens together to form a community-wide coalition to implement this plan.

Community Development staff also provides technical assistance to private and nonprofit developers for the development of affordable housing projects as well as being a member of the Continuum of Care Board. The Community Development Executive Committee meets monthly to discuss the coordination and performance of city-funded housing support and human services programs.

Intergovernmental Cooperation:

Intergovernmental cooperation between the City of Ann Arbor and Washtenaw County Community Development staff greatly increased as a result of the anticipated reorganization as well as joint involvement in funding several affordable housing projects. In addition, as part of the City of Ann Arbor reorganization initiative, an Intergovernmental Review Team comprised of City and Washtenaw County staff recommended Community Development staff from both organizations relocate to the same office under a jointly-funded Administrator in order to address the needs of low-income residents in a more coordinated and efficient approach.

The Washtenaw Homeowner Education Project (WHEP), the collaborative of Community Housing Alternatives, POWER, Inc. and MSU Extension Services met regularly with both County and City Community Development staff to design process, reporting, billing and data tracking systems. Creation and design of performance measurement systems has also been enhanced through discussions involving staff from each government office.

Public Housing Improvements and Resident Initiatives:

The Ann Arbor Housing Commission (AAHC) Occupancy level held at about 90% this fiscal year, with 46 new move-ins, 39 move-outs plus 13 transfers. At 6/30/04, we had a record low vacancy of 14 units or 4%. The AAHC is housing about 750 residents in 341 units. For the new move-ins, 87% reported incomes at or below 30% of area median income (AMI) (consistent with last year), and significantly above the HUD target of residents at or below 30% of AMI. Average

dwelling rental income decreased to \$188 per month from \$206 last year, agency wide, notwithstanding a preference for working families and below market flat rate rent option.

Modernization work under grant CFP501-2001 was completed. This grant covers significant plumbing improvements including disposals at many sites, exterior lighting, fencing and security screens at one site for enhanced security, ADA modifications and community center expansion at one site, the latter effort enabled with the addition of City funding. Work under the CFP501-2002, was substantially completed as of 6/30/04 (excepting the administrative office remodeling). CFP 501-02 work included exterior building improvements including decks, foundation repairs and gutters, site and landscape work, common interior area painting and public rest room upgrades. CFP501-2003 work has been bid out and awarded, with work to commence in September 2004. This grant will include 504 modification and expansion of the last family site community center.

The Commission staff met monthly with the Resident Advisory Board (RAB) composed of residents from both family and elderly/disabled complexes. Generally our Resident Commissioner conducts these meetings. Additions to the RAB this year include representatives from one elderly/disabled and one family site. An active Resident Council continues to function at Miller Manor, while councils have been meeting as well at Hikone and Green Baxter Court.

The 2004 HUD survey of Resident satisfaction continued to indicate general satisfaction in most categories, with highest scores in maintenance repairs, services, and communication. Most improvement was made in the safety category. The lowest level of satisfaction was in neighborhood appearance. In a non-scored question however, over 80% of respondents indicated that would recommend their housing to friends or relatives.

The Commission's security and supportive services continues by elective use of CFP management improvement funds for this purpose, plus some matching City funding. AAHC continues to have two Ann Arbor Police Officers living in residence in the high-rise complexes, and coordinates with Lawnet and several teams of community-policing officers assigned to districts around the city where public housing complexes are located. Additionally, nonprofit service providers coordinate computer, reading, science and cultural programs during the school year plus summer camp activities at our family sites. The Commission contracts with Washtenaw County Health Organization for supportive services by masters level case managers and an RN at the two largest elder/y/disabled sites. Efforts to expand this service to Broadway Terrace proved less effective at this small site, and is being discontinued on-site, but offered via phone consultation or scheduled appointment.

The AAHC Section 8 Program has maintained its level of funding for 1333 vouchers, covering Washtenaw, western Wayne and Monroe counties. The Family Self Sufficiency program is holding at about 30 participants. No new homeownership purchases were achieved this year. In November 2003, AAHC assumed administration of the Shelter Plus Care (SPC) program, a subset of the county's Continuum of Care. AAHC currently administers 4 renewal grants with three sub-grantees, and anticipates two more grants to be initiated in the coming year.

AAHC processed 151 new Section 8 admissions. 84% are households at or below 30% of the AMI. On average 10 vouchers per month or about 120 a year are returned to the program, due to portability, voluntary departure, death or program noncompliance. Overall utilization for the year was 89%, with 96% of funds available being utilized with a rental payment standard of 110% of the HUD published FMR.

Both Public Housing and Section 8 programs underwent Rental Income Monitoring reviews by HUD staff. More quality control review of files is now taking place to ensure third party or other documentation for income and expenses, and the rental calculation.

Lead-Based Paint Hazard Reduction:

The City of Ann Arbor is in full compliance with Federal and State Lead-Based Paint Hazards Regulations, which took effect September 15, 2000, by continuing to evaluate lead based paint hazards as part of its housing rehabilitation program. Unless found to be exempt, risk assessments, lead paint inspections, and final clearance examinations are a required part of each case. A certified local environmental company completes this work. Complete reports are provided to the homeowner and the city. Upon receipt of the risk assessment or lead inspection report, the rehabilitation specialist writes specifications to include the appropriate levels of lead hazard reduction or abatement.

The City also continues to provide educational materials on lead-based paint to all housing sub-recipients and nonprofit agencies. This information describes the dangers of lead-based paint, symptoms of lead paint poisoning, instructions on actions to be taken if symptoms of lead-based paint poisoning are present, and how to properly maintain surfaces and or areas found to contain lead based paint to reduce exposure in the home. This notice is also made available to the general public. In partnership with Washtenaw County, staff conducted two training sessions for all contractors participating in the Single Unit Rehabilitation Program. All 45 individuals who participated in the training were certified for lead safe work practices.

City rehabilitation staff have been trained and licensed by the State of Michigan as a Risk Assessor/Inspector and Abatement Supervisor. In addition, staff participated in collaboration with the Michigan Department of Community Health on a Task Force for the Elimination of Childhood Lead Poisoning in Michigan to develop a report of recommendations to the Governor. Staff will continue actions to evaluate and reduce lead-based paint hazards including ongoing communication with local health organizations and providing assessment and educational efforts as part of the Single Unit Rehabilitation Program.

Ensure Compliance with Program and Comprehensive Planning Requirements:

Prior to the start of each program year, staff convenes a meeting with all nonprofit organizations contracting with the City of Ann Arbor to provide housing and human services. Instructions relating to reporting requirements, grant draw procedures, applicable Federal regulations and compliance with the City's Human Rights and Living Wage ordinances are explained with an opportunity to ask questions.

All federally funded nonprofit organizations are required to provide independent audits and management letters that detail when fiscal and administrative controls are in need of improvement. This information, along with the semi-annual and year end performance reports provide tools to monitor program effectiveness. As part of the report, Board of Director meeting minutes, financial reports and Federal 990 tax forms are also required. This information provides a clear indication of board oversight and administrative control. Staff also conduct onsite monitoring reviews to ensure systems to determine income eligibility and Ann Arbor residency are in place as well as to discuss organizational challenges and general programmatic operations. When appropriate, staff may facilitate relationships among nonprofit organizations to fill service gaps, create efficiencies by sharing resources or to respond to customer complaints.

Compliance to regulations is also ensured by staff attending HUD-sponsored trainings and conferences, subscriptions to several community development publications, regular use of the Office of Community Planning and Development website and consultation with local HUD District representatives. Michigan State Housing Development Authority (MSHDA) has been instrumental in providing technical assistance to train new staff, develop criteria for reviewing affordable housing proposals and assisting nonprofit developers to create sustainable developments. Local Initiative Support Corporation (LISC) has also provided technical assistance to nonprofit housing developers and will be establishing a local office to increase its ability to provide support.

Reducing the number of Persons Living Below the Poverty Level:

Most programs funded by the City target persons with incomes below poverty level. As explained under the Continuum of Care Narrative, an extensive network of service providers is in place to deliver services aimed at homeless or at-risk of homelessness populations in the community. A variety of human service programs address economic independence and target efforts to increase self-sufficiency. Specifically, a CDBG-funded childcare scholarship program assisted 67 lower-income working families and allowed them to maintain employment and better afford the cost of childcare. The Business Planning Institute and Micro-loan Program offered through the Center for Empowerment and Economic Development trained 15 low-income individuals on how to start a business of which 5 opened in 2003.

Leveraging Resources:

The City identified in its Five-Year Consolidated Strategy and Plan that it expected to receive the following program resources: HOME funds, CDBG funds, General Funds; it also planned to support applications for Supportive Housing, Shelter Plus Care, SAFAH grants, Section 202 Elderly, Section 811 Handicapped funds, rental vouchers & certificates, Public Housing Comprehensive Grant funds and Low Income Housing Tax Credits (LIHTC). Nonprofit organizations were provided copies of HUD announcements of program opportunities to encourage applications. Letters certifying consistency with the Consolidated Plan were also provided to numerous entities applying for both HUD and MSHDA Programs.

The following resources were made available during the FY2003/04 period to address the needs identified in the plan:

- \$1,347,000 in Federal Community Development Block Grant funds for housing, public services including homelessness prevention, economic development and public facilities to benefit very low income individuals;
- \$1,053,540 in Federal HOME funds for permanent housing for extremely low income individuals;
- \$1,363,000 in City of Ann Arbor General Funds for human service programs;
- \$100,000 in City of Ann Arbor General Funds for Ann Arbor Housing Trust Fund;
- \$1,245,955 for Ann Arbor Housing Commission (AAHC) for Section 8 new construction;
- \$9,545,806 in AAHC Section 8 Housing Choice Vouchers;
- \$623,223 for AAHC Lower Rent Operating Subsidy;
- \$489,010 for AAHC for CFP 501-2002
- \$200,000 in CDBG funds for public facility improvements (Food Gatherers new warehouse)
- \$530,400 awarded by MSHDA in 2003/04 to address emergency shelter operations and various affordable housing projects;
- \$3,759,505 awarded by HUD in Washtenaw County for FY 2003 for Supportive Housing Projects through the Continuum of Care process;
- \$129,595 in Housing for Persons with Aids (HOPWA) awarded by HUD to HIV/Aids Resource Center for services in four counties including Washtenaw;

- \$3,717,018 was awarded by Washtenaw United Way in FY 2003 to meet community needs;
- \$72,700 awarded by Ann Arbor Area Community Foundation for FY 2003 in the area of housing and homelessness;
- \$200,000 contributed to Avalon Housing for its Carrot Way Apartments by the Religious Action for Affordable Housing

Self-Evaluation:

The City continued its implementation of the reorganization plan regarding its community development activities and determined a more coordinated impact would be accomplished by working more closely with Washtenaw County community development staff. Plans to reorganize into a combined department were solidified near the end of the program year with a proposal to relocate into one office in the Fall of 2004 with one Administrator to oversee both City and County staff. Two City staff positions remained open during this process with the function of financial administration being transferred to the larger City Community Services Unit. An Interim Community Development Administrator was appointed to oversee the department until the combined City/County Community Development structure was determined.

With assistance from MSHDA and City General Funds, two retirees from the City were hired as consultants to assist the department with a thorough review of its financial records and operations and grant processing through the HUD IDIS system. Systems were put in place to execute monthly draws of Federal funds and ensure timely disbursements of funds to nonprofit organizations. Reconciliation of residual CDBG accounts resulted in fewer funds than anticipated being available for the City Housing Rehabilitation Program and therefore fewer projects were completed than originally planned.

The City incorporates the use of performance targets and customer milestones in its Request for Proposal process by accepting proposals that address the following outcomes:

- Increase the supply of affordable housing
- Reduce the incidence and onset of homelessness
- Reduce the negative impact and duration of homelessness
- Increase/maintain housing stability
- Increase economic stability
- Increase access of non-insured to primary and specialty medical and dental care
- Increase access of non-insured to appropriate mental health & substance abuse services
- Increase access to support services that will help older adults maintain maximum level of self-sufficiency
- Increase access to structured after-school activities
- Increase access for youths to develop job-related skills through paid and/or unpaid employment
- Increase access for youths in activities that will reduce risk-taking behaviors
- Increase opportunities for youths to engage in activities with peers of different cultures, ethnicity and socio-economic status
- Increase access to quality, affordable childcare and supports
- Achieve/maintain maximum level of independence for individuals with special needs
- Increase access to educational supports to maintain/improve employability skills
- Increase support services in predominantly low and very low-income neighborhoods

Each nonprofit organization receiving funds through the City agrees to report on specific

indicators that relate the overall goals in the annual RFP and Consolidated Plan as part of the contractual agreements. Semi-annual and year end data is collected and evaluated by city staff and provided to the Community Development Executive Committee.

Feedback from the nonprofit organizations indicates a general satisfaction with using this method as it has allowed an opportunity to better evaluate program successes and areas in need of improvement. In addition, an intern from the University of Michigan worked with staff to evaluate the data collection processes and performance measures for its in-house Housing Rehabilitation and Homeownership Programs.

Both the Community Development Executive Committee and Housing Policy Board continued to maintain a significant role in funding of human services programs and proposed affordable housing projects. Comprehensive performance information from currently-funded nonprofits and an intense proposal review process enabled committee members to make better informed funding decisions. The City of Ann Arbor, despite revenue-sharing budget cuts from the State of Michigan, maintained its level of General Fund support for housing and human service contracts with nonprofit organizations for the FY 2004-05 program year.

The local community remains under increasing pressure to fill the void left by the reduction and/or elimination of federal and state assistance to lower-income families. The United Way received fewer donations and therefore all funded organizations received a 13% decrease in annual support. Reports from sub-grantees indicate that changes in the welfare system, a tight real estate market, Medicaid policy and the move to managed care adversely affects the well being of extremely-low income families, particularly in the areas of housing, health care, food stamps, transportation and child care. The nonprofit organization that was the primary provider of employment support services for individuals released from the Department of Corrections also experienced organizational challenges and discontinued operations mid-year. The City and the United Way remained committed to the importance of the service and set aside the previous level of funding to issue a specific Request for Proposals for employment services targeted for this population.

It is the goal of all city-funded services to meet the needs of very-low income vulnerable citizens. To the extent possible, the intended outcome of all services is to assist the individual or family to achieve and maintain the greatest level of independence possible and become a contributing part of the community. Based upon the reports received from 50 separate nonprofit entities, the services and activities are making a significant difference for the very-low income individuals and the community. The realization of the trend toward decreasing levels of public funding is not likely to improve has created a greater interest among nonprofit organizations to coordinate service delivery to create cost savings. The City plans to continue to assist and facilitate these discussions in order to preserve preventative and emergency services to the greatest extent possible.

Community Development Block Grant Narrative
FY 2003-04 Entitlement = \$1,347,000
B-03-MC-26-0001

Assessment of the relationship of CDBG funds to Goals and Objectives

- **Goal - Expand and preserve the supply of affordable rental housing and homeownership options for low-income residents.**

Objective: Housing Rehabilitation

Eliminate blight and conditions detrimental to health, safety and welfare by coordinating and supporting housing assistance programs designed to conserve, rehabilitate and maintain the City's housing stock. The Single Unit Housing Rehabilitation Program is operated by Community Development staff and is primarily targeted for very low-income owner-occupied homes, including those with physical or mental disabilities, seniors and homeless as identified in the FY 2000-05 Consolidated Strategy and Plan. The Multi Unit Housing Rehabilitation Program is directed toward rental housing owned and operated by nonprofit housing organizations.

Program	Households Served		Funding		
	Proposed	Actual	Available	Committed	Expended
Single Unit Housing Rehabilitation and Service Delivery	20	10	\$572,562 ^a	\$543,605	\$368,132
			\$133,211 ^b	\$133,211	\$72,178
Multi Unit Housing Rehabilitation	150	94	\$207,300 ^c	\$220,750 ^d	\$128,191

a. The FY 2003-04 Action Plan included an estimated \$500,000 in prior year residuals plus \$200,000 in program income. Account reconciliation reduced the prior year residuals to \$220,505; actual program income was \$230,557.

b. Includes \$13,111 in prior year residual funds.

c. Includes \$70,000 in prior year residual funds.

d. Includes funds unspent and carried over from FY 2002-03 (\$67,950)

e. Funds allocated to Neighborhood Senior Services (\$15,500) for wheelchair ramp construction were re-allocated to other programs due to lower than anticipated demand (\$12,614 to Homeownership and \$1,600 to City Single Unit Housing Rehabilitation)

Households served by the Single Unit Housing Rehabilitation Program were: 4 extremely-low and 6 very-low income; 6 African-American and 4 White homeowners.

Multi Unit Housing Rehabilitation projects completed by nonprofit organizations were:

- Avalon Housing Inc. - sewer line work at Stimson Apartments (\$5,190), appliances at 211 E. Davis (\$955), interior wall-rebuild at 610 W. Summit (\$1,940), bathroom repair at 211 E. Davis (\$1,775)
- Washtenaw Affordable Housing Corporation - Boilers were replaced at Parkhurst Apartments (\$49,455), new roof, siding, kitchen and electrical work at 13 Metroview (\$8,400), exterior repairs at Parkhurst Apartments (\$900), kitchen/bath for 1 unit at Parkhurst (\$700), bathroom/kitchen for 2 units at Parkside (\$1,850)
- Community Housing Alternatives - water heater replacement at 9 Rockland (\$425), sewer investigation work at 100 Glendale (\$550), repair floors/electrical work at 1911 Dexter (\$6,850)

All three organizations did not spend all of the FY 2003-04 CDBG funds allocated for housing rehabilitation during the program year and requested the contracts be extended until September 30, 2004 in order to finish the planned projects during the summer months.

Objective: Housing Acquisition

Project Number (IDIS 194) Ferry Street Phase 2 – Habitat for Humanity of Huron Valley (Project Underway)

In March 2002, the City allocated \$210,000 in CDBG funds to acquire 6 lots and construct homes for very-low income households. Construction of the first 2 homes began in September 2003 and was completed in January and February 2004. Construction on 3 additional homes began in April 2004. HHHV is working with the City to create an easement to allow access to the final lot. Financing of the project is as follows:

<u>Fund Source</u>	<u>Amount</u>
Corporate and Individual Donations	\$300,000
City of Ann Arbor CDBG	\$210,000
Federal Home Loan Bank Association	\$ 42,000
Homeowner Mortgages	\$ 74,316
Homeowner Down Payments	<u>\$ 3,000</u>
Total	\$629,316

Objective: 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.

Project	Households Served		Funding		
	Proposed	Actual	Available	Committed	Expended
100 & 102 Glendale Single Unit Rehab	9	4 1	\$15,000 ^a	\$15,000	\$5,168 \$1,350

a. The FY 2003-04 Action Plan included \$13,000 in residual funds to be available for the Relocation Program. Account reconciliation resulted in no residual funds available for the program.

There were 4 individuals permanently relocated as a result of the acquisition of 100 and 102 Glendale by Community Housing Alternatives. The extremely-low and very-low income residents did not meet the criteria of the organization's program. Another very-low income homeowner was temporarily relocated as part of the Single Unit Rehabilitation Program.

- **Goal - Increase homeownership opportunities for lower-income families**

Objective: Homeownership Assistance

Provide down payment assistance up to \$20,000 for purchase of home within the City of Ann Arbor. All participants must also complete an approved homeowner education program.

Down Payment Assistance	Households Served		Funding		
	Proposed	Actual	Available	Committed	Expended
	12	3	\$114,550 ^a	\$127,164 ^b	\$59,847

a. The FY 2003-04 Action Plan included \$64,500 in residual funds; account reconciliation reflected \$41,850 in residual funds.

b. An additional \$12,614 was transferred to the program from the Neighborhood Senior Services wheelchair ramp construction program.

Two low income and one very-low income household purchased homes in Ann Arbor. One was a condominium and two were single-family homes. All participants were White. There are an additional 5 low-income households who have applied to the program and are waiting for the Stone School Condominiums project to be completed.

- **Goal - Promote economic stability and increase access to human services for individuals, families and other persons with special needs**

Objective: Public Facility & Improvements

Provide funds for the rehabilitation and improvement of public facilities.

Public Facility and Improvements	Facilities		Funding		
	Proposed	Actual	Available	Committed	Expended
	1	1	\$200,000	\$200,000	\$200,000

Food Gatherers Inc. completed construction of a new 17,000 square foot warehouse in Fall 2003. The new facility will allow greater efficiencies to be realized by enabling the acceptance of larger donations of food and a more diversified inventory to be available to nonprofit organizations.

Objective: Public Services

Promote economic stability for lower income families, increase the likelihood that youth will be successful in school, assure access to health services, assist individuals with special needs to achieve/maintain maximum level of independence.

Program	Households Served		Funding		
	Proposed	Actual	Available	Committed	Expended
Avalon Housing Inc.	161	149	\$31,900 ^a	\$31,900	\$31,900
Child Care Network	65	72	\$176,800	\$176,800	\$176,800
Food Gatherers	N/A	N/A	\$52,500	\$52,500	\$52,500
Legal Services of SCMI	450	529	\$68,000	\$68,000	\$68,000
Neighborhood Senior Services	487	419	\$61,800	\$61,800	\$61,800
Washtenaw Affordable Housing Corp.	82	84	\$5,000 ^b	\$5,000	\$5,000
Totals	1,245	1,253	\$396,000	\$396,000	\$396,000

a. An additional \$1,000 in City General Funds was allocated to this program.

b. An additional \$9,499 in City General Funds was allocated to this program.

Avalon Housing Inc., through its contract with Catholic Social Services provides housing support services to tenants at all 143 rental housing units at 15 different sites. Child Care Network provides child care scholarships and enhanced case management to low income families to subsidize the cost of licensed daycare for parents who are working or furthering their education. Food Gatherers collected and distributed 2,247,237 pounds of food to over 120 nonprofit organization programs in the community. Legal Services of South Central Michigan provides legal counsel regarding eviction prevention, domestic violence and family law services. Neighborhood Senior Services provides support services including resource advocacy, chore

services, home repair, safety and maintenance services and medical access services for older adults. Washtenaw Affordable Housing Corporation provides resource referral and tenant services for 82 rental housing units at 5 different sites.

General Program Administration	Funding		
	Available	Committed	Expended
	\$485,927 ^a	\$485,927	\$229,150 ^b

a. The FY 2003-04 budget included \$169,400 in residual funds; account reconciliation resulted in \$216,927.

b. There were 8 full time Community Development staff; an additional \$95,265 in City General Funds; \$72,178 in CDBG for Housing Rehabilitation Service Delivery and \$95,265 in HOME Administration were used to support the administration of the various programs.

Changes in Program Objectives:

There were no significant changes proposed in the City's program objectives during the year. \$14,214 was reallocated from the Neighborhood Senior Services wheelchair ramp construction program due to the utilization of \$30,000 in funds from FY 2002-03 being sufficient to meet the current demand. \$12,614 was allocated toward the City's Homeownership program and \$1,600 to its Single Unit Rehabilitation program for emergency furnace repairs at The Ozone House shelter for homeless youth.

Efforts to Carry Out Planned Actions:

The City was awarded the resources identified in the FY 2003-04 Action Plan including CDBG funds, HOME funds and City General Funds for human services and continued to carry out programs and projects identified. The City also supported efforts by nonprofit entities in applications to MSHDA, the Federal Home Loan Bank Affordable Housing Program and HUD for various programs to assist low-income city residents. Certifications of consistency with the FY 2000-05 Consolidated Strategy and Plan were provided to applicants. Several letters of support were provided for nonprofit organizations seeking various sources of federal, state and private funding.

Addressing National Objectives:

The City of Ann Arbor used all of the Community Development Block Grant funds to support the national objectives; activities benefiting low- and moderate-income persons; activities which aid in the prevention or elimination of slums or blight; activities designed to meet community development needs having a particular urgency and/or designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community.

Displacement, Relocation, Timely Notification:

There were 4 individuals permanently relocated and another very-low income homeowner temporarily relocated as part of the Single Unit Rehabilitation Program. A total of \$6,518 was spent on this activity during FY 2003-04.

Economic Development Activities:

The Center for Empowerment and Economic Development (CEED) continues to operate its Business Planning Institute. In FY 2003-04, 15 individuals participated (7 extremely-low, 3 very-low, 6 low- income) and 5 jobs were created when program graduates opened a new business. The micro-loan program was supported with a total of \$204,969 in CDBG funds from 1995 through 2001 and served 33 city residents. Since then, 16 have been repaid in full with collections of \$147,204 utilized to support the operations of the program. The remaining 5 loans

generated \$9,986 in program income during FY 2003 and was used to support micro-loan technical assistance.

Program Income:

Through the City's Single Unit Rehabilitation Program, as of June 30, 2004, there were 16 active CDBG funded loans with a total principal balance of \$200,448. Two loans with a principal balance of \$84,180 have deferred future payment schedules. Fourteen loans were paid off due to refinancing or property sales and 10 new deferred payment loans were set up during the period. Another 19 subordinations were approved for customers refinancing their homes. Program income from loan payments and payoffs totaled \$230,557.

Sub-recipient CDBG Program Income

Economic Development – The Center for Empowerment and Economic Development has 5 active CDBG micro-loans totaling \$40,000 with a balance of \$22,093 remaining. The organization received \$9,986 in payments during FY 2003-04 and utilized to support the existing loan portfolio. There was one loan paid off and one charged off (\$3,230) during the period.

Public Services – Neighborhood Senior Services generated \$8,881 in program income through sliding-scale fees charged by its Home Chore Program of which 100% was spent on program service delivery.

HOME Program Narrative
FY 2003-04 Entitlement = \$1,053,540
M-03MC-260201

The City's performance in meeting the housing needs of low and very low income households has continued to reflect the City's commitment to the goals outlined in the FY 2000-2005 Consolidated Strategy and Plan. The strategy outlined in the Plan as well as the continuing availability of HOME funds, local Affordable Housing Trust Funds, funding from Washtenaw County, state funds through MSHDA and cooperation from private and nonprofit lenders will add resources to enable additional affordable housing projects and units to be added to the local housing stock. The successes mentioned in this report are largely the result of the HOME funds available to the community.

Analysis of Distribution of HOME Funds:

The FY 2003-04 Action Plan identified the use of HOME funds for rental acquisition / rehab and new construction. One HOME new construction rental project, originally funded in 2001, overcame significant neighborhood opposition that contributed to a delay of the site plan approval and secured final low-income tax credit financing for the project in September 2003. Another HOME new construction homeownership project was developed through a partnership between a nonprofit Community Housing Development Organization (CHDO) and a for-profit developer and started construction in October 2003 with completion expected in November 2004.

One rental acquisition / rehab project involved the sale of a duplex by one CHDO to another as part of its change in mission from owning and renting one or two unit properties to focus on multi-unit properties. Four additional rental acquisition / rehab projects were approved during FY 2003-04 with work to be completed during Fall 2004. Each rental project relates to the goal of preserving the supply of affordable rental housing targeted for extremely-low income households and special needs populations. The new construction homeownership project supports the goal to increase homeownership opportunities for low-income households.

1731 Dhu Varren Road: IDIS 159 (Census Tract 4028)

Avalon Housing Inc. will construct 30 units of permanent supportive rental housing, Carrot Way Apartments, for extremely-low and very-low households. This project was developed in partnership with Food Gatherers when it offered to sell a piece of its land to Avalon Housing after relocating operations to a new warehouse constructed on the other side of the original parcel. City Home funds were originally committed in June 2001 and February 2003 for this project.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME Funds	\$1,060,000
Michigan State Housing Development Authority	\$1,450,000
MSHDA/Low-Income Housing Tax Credits (LIHTC)	\$2,567,715
General Partner Equity	\$ 36,790
Religious Action for Affordable Housing (RAAH)	\$ 200,000
Federal Home Loan Bank (FHLB)	\$ 353,000
Total	\$5,467,505

2843/2845 & 2847/2849 Burton Road: IDIS 214 (Census Tract 4054)

Michigan Ability Partners completed the final grounds work in early FY 2003-04 for four rental units in the final phase of its Gateway Project.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$150,000
Michigan State Housing Development Authority	\$ 70,000
Washtenaw County	<u>\$ 62,000</u>
Total	\$282,000

2101 – 2169 Stone School Road: IDIS 273 (Census Tract 4046)

Community Housing Alternatives has partnered with Vanek & Associates to provide 55 permanently affordable condominiums for very-low, low and moderate income households. Each purchaser has agreed to sell the unit at a pre-established price based on a resale formula to enable other income eligible families to benefit from the public investment. Eleven units will be subsidized with HOME funds and 10 with Ann Arbor Housing Trust Funds reserved primarily for households earning up to 60% AMI . Washtenaw County contributed \$70,530 to the Housing Trust Fund to be directed for this project. In addition, the developer subsidized 11 units targeted for households at 80% AMI. The remaining 34 units will be sold to households at 100% of the Area Median Income. Construction began in October 2003 with anticipated completion in early Fall 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$ 464,000
Ann Arbor Housing Trust Fund	\$ 370,530
Homeowner mortgages	<u>\$5,631,790</u>
Total	\$6,466,320

517 West Summit: IDIS 280 (Census Tract 4007)

Avalon Housing Inc. purchased this duplex from Washtenaw Affordable Housing Corporation in order to preserve 2 units of affordable rental housing for low income households. \$119,000 in HOME funds was used for acquisition of the property in December 2003 with the remaining funds used for rehab to be completed in Fall 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$150,000
Washtenaw County General Funds	\$ 25,000
MSHDA	\$ 60,000
Local Initiatives Support Corporation (LISC)	<u>\$ 81,075</u>
Total	\$316,075

12988 Island Lake Road, Dexter Township: IDIS 281 (Census Tract 4430)

Washtenaw County Health Organization (WCHO) will discontinue renting and purchase the 4 bedroom group home which has been leased to house extremely low-income adults for many years. Closing is anticipated in September 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$ 91,250
Washtenaw County HOME funds	\$ 53,750
Washtenaw County General Funds	\$ 86,240
WCHO funding	<u>\$ 17,500</u>
Total	\$248,740

1035 Judd Road, York Township: IDIS 282 (Census Tract 4220)

Washtenaw County Health Organization will discontinue renting and purchase the 4 bedroom group home which has been leased to house extremely low-income adults for many years. Closing is anticipated in September 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$ 91,250
Washtenaw County HOME funds	\$ 53,750
Washtenaw County General Funds	\$ 91,240
WCHO funding	<u>\$ 17,500</u>
Total	\$253,740

3800 Glengarry Court, Northfield Township: IDIS 283 (Census Tract 4630)

Washtenaw County Health Organization will discontinue renting and purchase the 4 bedroom group home which has been leased to house extremely low-income adults for many years. Closing is anticipated in September 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$ 53,750
Washtenaw County HOME funds	\$ 53,750
Washtenaw County General Funds	\$128,740
WCHO funding	<u>\$ 17,500</u>
Total	\$253,740

5623 Thomas Road, Pittsfield Township: IDIS 284 (Census Tract 4148)

Washtenaw County Health Organization will discontinue renting and purchase the 4 bedroom group home which has been leased to house extremely low-income adults for many years. Closing is anticipated in September 2004.

<u>Fund Source</u>	<u>Amount</u>
City of Ann Arbor HOME funds	\$ 53,750
Washtenaw County HOME funds	\$ 53,750
Washtenaw County General Funds	\$118,740
WCHO funding	<u>\$ 17,500</u>
Total	\$243,740

Matching Contributions:

From October 1, 2003 through September 30, 2004, \$607,913 in HOME funds was expended, resulting in a 25% local match requirement of \$151,978. The City's total match contribution was \$850,065 for FY 2003. The attached form 40107-A shows matching expenditures of \$134,435 from foregone taxes through the City's Payment in Lieu of Taxes (PILOT) program. An additional \$300,000 from the Ann Arbor Housing Trust Fund and \$70,530 from Washtenaw County general funds was contributed to subsidize sales prices for households at or below 60% AMI to purchase condominiums at the Stone School Road project; \$25,000 was contributed from the Washtenaw County general fund for 517 W. Summit; \$200,000 was contributed from the Religious Action for Affordable Housing to Avalon Housing, Inc. for land acquisition; and a total of \$120,100 was contributed from the City's general fund for tenant support services and rehabilitation of properties owned by Avalon Housing, Inc., Community Housing Alternatives and Washtenaw Affordable Housing Corporation.

Program Income:

As of June 30, 2004, there are 8 active HOME Program loans with a total principal balance of \$403,977. Two loans totaling \$405,538 have deferred future repayment schedules. The HOME program income for the year totaled \$15,838.

Contracts, Subcontracts and Outreach Efforts with Minority Business Enterprises and Women's Business Enterprises:

The City of Ann Arbor continues in its efforts to recruit minority and female-owned businesses into the Housing Rehabilitation program. The Community Development Department Housing Program maintains a listing of minority contractors who are regularly solicited to bid on rehabilitation projects. The city advertises larger projects. Efforts to involve minority and women-owned businesses continue to target local businesses to promote these goals.

HOME Annual Performance Report (HUD 40107) is attached. Specific outcomes and efforts included:

- There are 6 active Women/Minority Business Enterprise (W/MBE) contractors/subcontractors.
- The City has written directly to minority and women contractors requesting them, if interested, to apply and be added to the list of housing rehabilitation contractors.
- Any interested firms were asked to contact the Ann Arbor Community Development Department for additional information and requirements.
- The City requests that its contractors and sub-recipients make an effort to reduce contracts into smaller portions when economically feasible.
- Ann Arbor maintains a list of W/MBE by trades and gives this list to the primary contractors and asks them to use it when selecting subcontractors.

HOME-Assisted Rental Housing Code Compliance Inspection Assessment:

The following information reflects the results of the annual Housing Quality Standards (HQS) inspections completed during FY 2003-04 as required by HOME program regulations. It should also be noted that the City of Ann Arbor has a Rental Housing Code that requires inspection of all rental property every 30 months by City Housing Inspectors for compliance with the City's Housing Code.

Property Address	Owner	Number of Units	HQS Inspection	Results
125 Allen	Avalon Housing	2	June 2004	Passed
127 Allen	Avalon Housing	2	June 2004	Passed
115-119 Glendale	Avalon Housing	4	June 2004	Passed
1217 W. Huron	Avalon Housing	7	June 2004	Passed
1010,1020,1030 Arbordale	Avalon Housing	39	June 2004	Passed
532 N. Main St.	Avalon Housing	7	June 2004	Passed
618 N. Main St.	Avalon Housing	6	June 2004	Passed
610 W. Summit	Avalon Housing	6	June 2004	Passed
1305-13 Pontiac Trail	Avalon Housing	4	June 2004	Passed
518 Division St.	Avalon Housing	7	June 2004	Passed
520 Division St.	Avalon Housing	2	June 2004	Passed
522 Division St.	Avalon Housing	6	June 2004	Passed
800 Stimpson	Avalon Housing	23	June 2004	Passed
211 E. Davis	Avalon Housing	14	June 2004	Passed
701 Miller	Washtenaw Affordable Housing Corporation	24	June 2004	Passed
1500 Pauline	Washtenaw Affordable Housing Corporation	48	June 2004	Passed
723 S. Main St.	Washtenaw Affordable Housing Corporation	9	June 2004	Passed
	TOTAL:	210		

Assessment of Affirmative Marketing Actions:

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, religion, national origin, gender, age, condition of pregnancy, marital status, disability, source of income, family responsibility, educational association or sexual orientation. 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 housing opportunity, the City of Ann Arbor has established procedures to affirmatively market housing properties with five or more units. Each project owner is required to develop an Affirmative Marketing Plan detailing efforts it will undertake to reach its target customers. These Plans are on file in the Community Development Department and compliance is reviewed annually. 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.

Community Development housing staff provides information about federal fair housing laws and the City's Affirmative Marketing Policy, requires the use of equal opportunity language in advertising by property owners and encourages property owners to follow their Affirmative Marketing Plans.

Annually, program report forms are used to monitor certification of tenant incomes and rent levels. Of the total 224 occupied HOME-assisted units completed and occupied as of June 30, 2003, minorities occupy 127 or 51%. The Community Development Department will continue to 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.

Public Participation Requirements

The City of Ann Arbor has encouraged public participation in all phases of the preparation, implementation and performance review of its federally funded activities included in its Consolidated Strategy and Plan and The FY 2003-04 One Year Plan as noted throughout the preceding report. Information regarding grant awards, estimated program income and expenditures as well as activity accomplishments is also included in the Integrated Disbursement and Information System (IDIS) Consolidated Annual Performance and Evaluation Report. (CO4PR06).

The FY 2003-04 CAPER was available for public review and comment on September 7, 2004 at:

- City Center, Community Development Office, 220 E. Huron, Suite 760
- Guy C. Larcom Municipal Building, City of Ann Arbor Clerks Office, 100 N. Fifth, 2nd Floor
- Ann Arbor District Library, 343 S. Fifth, 2nd Floor Resource Room
- Bryant Community Center, 3 West Eden Court
- Ann Arbor Housing Commission, 727 Miller Avenue

All comments received were incorporated into the text of this report.