



CITY OF ANN ARBOR

CONSOLIDATED STRATEGY AND PLAN

FY 2005 ONE-YEAR ACTION PLAN

July 1, 2005 through June 30, 2006

DRAFT 4-12-05

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First Program Year Action Plan

The CPMP First Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted 5/13/2005	B-05-MC-26-0001 M-05-MC-26-0201	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction	MI260192 ANN ARBOR		
100 N. Fifth Avenue	DUNS # 004-913-166		
PO Box 8647	Municipal Government		
Ann Arbor	Michigan	Community Service Unit	
48107-8647	USA	Office of Community Development	
Employer Identification Number (EIN):	Washtenaw County		
38-6004534	Program Year Start Date 7-1-05		
Applicant Type:	Specify Other Type if necessary:		
Local Government: City	Specify Other Type		
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
Public Services, Housing Rehabilitation, Relocation, Homeownership Assistance, Public Facilities and Improvements, Rehabilitation and Preservation		Area-Wide	
\$1,234,514 CDBG	\$4,025,000 additional HUD funds	Continuum of Care project funding - SHP and SPC	
\$700,000 additional Federal funds		\$700,000 State funds	
\$500,000 local funds		\$1,568,000 Grantee funds	
\$200,000 program income		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s)			
Home Investment Partnerships Program		14.239 HOME	

Jurisdiction

Acquisition/Rehabilitation/Refinancing, New Construction, CHDO set aside, CHDO operating		Area-wide	
\$1,011,879 HOME Grant Amount	\$0 Additional HUD Grant(s) Leveraged	Describe	
\$400,000 Additional Federal Funds		\$6,000,000 Additional State Funds Leveraged	
\$400,000 Locally Leveraged Funds		\$400,000 Grantee Funds Leveraged	
\$10,000 Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOME-based Project(s) \$7,210,000			
Housing Opportunities for People with AIDS		14.241 HOPWA	
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			
Emergency Shelter Grants Program		14.231 ESG	
ESG Project Titles		Description of Areas Affected by ESG Project(s)	
\$ESG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s)			
Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
15	15	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Jennifer	L	Hall
Housing Program Coordinator	734.622-9006	734.622-9022
hallj@ewashtenaw.org	www.ci.ann-arbor.mi.us	Amy Klinke 734 622-9005
Signature of Authorized Representative		Date Signed

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is optional, but encouraged. If you choose to complete it, please provide a brief overview that includes major initiatives and highlights that are proposed during the next year.

Program Year 1 Action Plan Executive Summary:

In October 2004, the City of Ann Arbor and Washtenaw County community development offices have co-located under one director at the County annex building at 110 North Fourth Avenue to facilitate a regional approach to housing and public service (support services) for low-income households. The new Office of Community Development (OCD) is making progress toward joint strategic planning, project development, programs and monitoring processes. The OCD issued a joint on-line Request for Proposal for public services and CHDO operating funds. The OCD has combined components of their respective single-family rehabilitation programs, multi-family development programs, CHDO certification process and contract compliance process.

The City of Ann Arbor continues to control a separate budget and decision-making process to allocate federal HOME and Community Development Block Grant (CDBG) funds and local general funds and Affordable Housing Trust (AHTF) funds. The City is soliciting public comments about the pros and cons of joining the Urban County and combining the two program's funding sources, prioritization process, application process, evaluation criteria, and monitoring process.

The City Council has directed the OCD to work with three citizen boards, the Waiver and Review Board, Housing Policy Board and Executive Committee to streamline the citizen board process. The City is soliciting public comments about the citizen participation process, in particular, outreach to non-English speaking residents, disabled residents, and racial minority residents.

The City will be commissioning a joint Housing Needs Assessment with Washtenaw County to determine both the housing needs and market demands in the community. The goal is to provide solutions to encourage socio-economic diversity in all the municipalities in Washtenaw County through public/private partnerships and strategic use of resources. The Housing Needs Assessment will guide future redevelopment and new development by recommending sites, amenities, tenure (owner or rental), income targeting, and unit sizes to meet the needs of everyone in the community from the homeless to lower income households to higher income households.

The City OCD has also been working with other City departments to address the needs of low-income households. The Public Services Unit is working with the OCD to defray the cost of disconnecting footing drains, as required for new construction projects, for affordable housing developments. In addition, Public Services is working with the OCD to help low-income homeowners convert to automated water meter reading, by paying for the cost of repairing damaged homeowner pipes that are discovered when the meters are changed over. In addition, the OCD is working with the Planning and Development Services Unit to encourage mixed-income housing developments through the City's Planned Unit Development and Planned Project ordinances. The Parks and Recreation Unit is working with the OCD to explore joint ventures to acquire property that preserves natural areas, while developing portions of that property that are not suitable for preservation to construct affordable housing.

The City OCD has implemented three new initiatives. The first is an analysis of services provided by Community Centers. The City Parks and Recreation Unit owns and manages community centers as well as private non-profits. The OCD is working with these Community Centers to evaluate and coordinate the programs and services offered. Secondly, the OCD is re-evaluating low-income housing developments that the City funded 5-15 years ago and is reinvesting in those properties through refinancing and rehabilitating the properties to ensure the long-term financial stability.

The third initiative is the redevelopment of the former YMCA site on 5th Avenue. The YMCA has owned and managed a 100-unit hotel for short-term housing primarily for extremely low-income residents for many years. The YMCA has constructed a new recreational facility and sold the former site to the City. The YMCA will continue to manage the housing until the City sells the site to a private developer. A Request for Proposal was issued that required the respondents to include 100 units of very affordable units on the site. Six responses were received ranging from rehabilitating the site as a community center to redeveloping multiple sites adjacent to the YMCA as mixed-use, mixed income housing, parking and public space. A developer will be selected in 2005 and construction is likely to begin in 2006.

In addition, the OCD is working with other funders, such as the Michigan State Housing Development Authority (MSHDA), LISC, Ann Arbor Community Foundation, the New Center, Knight Foundation, Washtenaw County United Way and Pfizer to collaborate and streamline processes and procedures and to offer technical assistance to local nonprofits.

Washtenaw County contracted with the Washtenaw Housing Alliance (WHA) to develop a 10-year Plan to End Homelessness, following President Bush's national initiative. The WHA has brought together hundreds of community leaders, private and public organizations, for-profit and nonprofit businesses, service providers and service users to develop the "Blueprint to End Homelessness". The Blueprint has been incorporated into this document and the community is now working on implementing the Blueprint

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

Program Year 1 Action Plan General Questions response:

The City of Ann Arbor is the largest City in Washtenaw County with a population of 114,000. The cities of Ann Arbor and Ypsilanti are the cultural, educational and business centers for the County. Ann Arbor is home to the University of Michigan, the largest employer in the City with a 2004 student enrollment of 35,000. The City has 15 Low-Moderate Income Census tracts, which means that more than 50% of the households have income less than 80% of the City Median Income, based on the 2000 Census. The greatest concentration of poverty in the City is in the downtown census tracts surrounding the University central campus and north campus, where the concentration of student residents ranges from 39% to 99%. Most of the poverty in these census tracts, as reflected in the Census, is due to self-reported student incomes, not parental incomes.

Many of the other low-mod neighborhoods qualify as low-income because of multi-family housing complexes that are owned by the local Public Housing Authority, privately-owned complexes with HUD mortgages that have income restrictions or complexes owned by the private sector without income restrictions. The City has small scattered neighborhoods of single-family housing that are low-income.

Of the 15 low-mod census tracts in the City, 7 census tracts are disproportionately racial/minority concentration. One of the 7 census tracts is disproportionately Black, five of those census tracts are disproportionately Asian, and one census tract is disproportionately Black and Asian. In addition, 4 census tracts are disproportionately racial/minority concentration that are not low-mod census tracts. Two of those census tracts are disproportionately Black and two are disproportionately Asian.

Of the 15 low-mod census tracts in the City, 4 census tracts are disproportionately low-income families. One of those census tracts has a high concentration of U-M married student housing, one census tract is adjacent to central campus where the U-M dormitories and Greek housing is located, one census tract contains two privately owned income-restricted cooperatives, and one census tract has both U-M married student housing and a large privately-owned low-income housing complex.

The City's goal is to encourage mixed-income neighborhoods and therefore is directing assistance City-wide.

Priority is assigned throughout the City to the extremely low-income and very low-income families who experience the greatest amount of need because of the gap between the number of low-income units that are currently available and the number of households who would be eligible for such housing if it were available. This priority category includes renters and homeowners experiencing housing difficulties due to age, financial hardship, unemployment, disability and/or illness. In addition, finding and maintaining housing city-wide for persons with substance abuse, mental illness, large families, poor credit history, limited or fixed income, and/or a criminal history continues to be a priority.

COST: The greatest obstacles to providing additional affordable housing in the City of Ann Arbor is the cost of land, housing and related infrastructure and community development expenses. The housing stock in the lower price ranges tends to be older, in need of rehabilitation, and often has environmental problems such as lead-based paint. The City has been experiencing an outmigration of low-income households seeking lower cost housing in the greater metropolitan area. The City will make City-owned land and tax-reverted properties available for affordable housing projects when the property is suitable for residential construction. Non-profit service providers are also impacted by the high commercial rent and commercial property prices in Ann Arbor and tend to locate outside the City limits. This trend has also concentrated poverty in other municipalities. The challenge is to promote economic diversity and balance throughout the metropolitan area.

INFRASTRUCTURE: In 2003, the City amended the water and sewer ordinances to increase tap-in fees to over \$15,000 per unit, which added another financial burden to affordable housing developers. The City is also under a federal order to disconnect all of the storm water footing drains from sewer drains costing between \$5,000 and \$10,000 per disconnect. The Office of Community Development is working with the City's Public Services Unit to coordinate the City's footing drain disconnect program to offset the cost for new construction affordable housing units.

PROPERTY TAXES: Taxes for Ann Arbor residents are also a barrier to affordable housing. The City has attempted to offer relief from the tax burden by adopting affordable housing covenants in perpetuity which prevents an affordable housing unit from being sold at fair market value. Consequently, the taxable value is based on the restricted sales price instead of the market value. The City has also adopted a Payment in Lieu of Taxes (PILOT) ordinance to decrease the tax burden for rental property. The PILOT program is available to owners of rental housing that the the income of the tenants are 50% AMI or less and for senior housing.

NIMBYISM: Neighborhood opposition continues to be a problem for new affordable housing developments and in some cases, acquisition and rehabilitation projects. Developers are encouraged to work with neighbors to address concerns when projects are still in the planning process. Opposition can also occur for nonprofits that provide public services.

PLANNED UNIT DEVELOPMENT ORDINANCE: The City's Planned Unit Development (PUD) ordinance previously required new residential developments to include 20% of the units affordable to households at 80% AMI, if the proposed density is higher than the existing zoning allows. Since the PUD had not been frequently requested, the City formed a committee to analyze the impact of the PUD ordinance on both market rate and affordable housing developments. Based on the recommendations of this committee, City Council amended the ordinance in 2004 to allow developers to pay a fee to the Affordable Housing Trust Fund in lieu of including affordable units in the development and reduced the number of required affordable units to 10% or 15% depending on the relative increase in density.

PURCHASE OF DEVELOPMENT RIGHTS (PDR): In 2003, City residents voted for a parks acquisition and purchase of development rights millage to preserve the undeveloped land in and around the city. As this land is acquired there will be pressure to increase residential density. The Planning and Development Services Unit, along with the Citizens Planning Commission, is studying existing zoning regulations to accommodate greater density within the City limits. The Mayor's Downtown Development Housing Task Force recommended adding 1,000 additional housing units in the next decade, revising the downtown zoning to encourage increased density, and explore more cost effective infrastructure strategies.

COMPETITION BETWEEN PROVIDERS: Additional obstacles to providing public services to the community include competition for funds and communication between nonprofit service providers. The City participates in the Continuum of Care process with Washtenaw County. The Continuum of Care board includes non-profit and public participants who analyze the needs of the homeless population and create coordinated service strategies. The homeless service providers on the Continuum of Care participate in the County Homeless Management Information System (HMIS) in order to strengthen operating procedures, revise and create user policies and training materials and build trust between agencies to allow for increased data sharing with client consent so that the goals of a comprehensive data system that serves as a vehicle for coordinated case management and streamlines access to services for clients can be realized.

FINANCIAL CONSTRAINTS: In response to recent State, Federal and local budget cuts, the City Administrator has worked with City and County officials to consolidate the Community Development efforts of the City Community Development and Washtenaw Urban County Community Development staff. While federal funds are not co-mingled, staff collaborates to ensure that efforts between the two departments are not unnecessarily duplicated. In addition, the protracted planning process for affordable housing development has been addressed through the redesign of the functions of Planning Department and Building Departments into the new Planning and Development Services Unit. The new organizational structure has created better and more improved communication within the City and the public-at-large.

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 1 Action Plan Managing the Process response:

The City of Ann Arbor is the lead agency overseeing the development of the 5 Year Plan. Other public and private agencies responsible for administering the programs covered in the Consolidated Plan include Washtenaw County, Ann Arbor Public Housing Authority, the Continuum of Care Board, Washtenaw Housing Alliance (WHA), and the Washtenaw County Human Services Collaborative. The City contracts with over fifty nonprofit organizations to provide public services to the community.

The City of Ann Arbor collaborated with Washtenaw County, the Continuum of Care Board and WHA to develop the County's Consolidated Plan, the Continuum of Care Plan and the Blueprint to End Homelessness, along with over 350 community members that included nonprofit housing and human service providers, government officials, business leaders, and consumers. The City's 2005-2009 Strategy and Plan incorporates the needs assessments and strategies from these four community-wide plans.

The following agencies were consulted about services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons in developing these plans: Avalon Housing, Ann Arbor Center for Independent Living, Community Support and Treatment Services (CSTS), Community Housing Alternatives (CHA), Dawn Farm, Habitat for Humanity, HIV/AIDS Resource Center (HARC), Helpsource, Homeplace Community Land Trust, Home of New Vision, Housing Bureau for Seniors, Interfaith Hospitality Network, Michigan Ability Partners (MAP), Neighborhood Senior Services, Ozone House, POWER, Shelter Association of Washtenaw County, Washtenaw Affordable Housing Corporation (WAHC), and Washtenaw Community Health Organization (WCHO).

The City of Ann Arbor also participated with the following agencies in development the 10-Year Blueprint to End Homelessness and the Continuum of Care Program: Washtenaw County, Washtenaw Housing Alliance (WHA), Washtenaw Community Health Organization (WCHO), Community Support and Treatment Services (CSTS), Washtenaw County Workforce Development Board, Ann Arbor Housing Commission, City of Ann Arbor Housing Policy Board, Avalon Housing, Ozone House, Food Gatherers, SOS Community Services, Family Support Network (FSN), Non-Profit Enterprise at Work (NEW), St. Joseph Mercy Health Systems, and Zingerman's Deli.

The Ann Arbor Housing Commission actively works with nonprofit agencies who advocate for persons with disabilities such as Community Support and Treatment Services, Ann Arbor Center for Independent Living, HARC, Association for Community Advocacy and others.

During the course of the next year, the City will encourage coordination between public and private housing, health, and social service agencies. The Blueprint to End Homelessness participants will continue working on implementing the Blueprint through the coordination of 16 work groups. The County and City Office of Community Development will continue working together to provide coordinated services and to facilitate coordinated services among health and social service providers. The City will continue to work with the public and private sector housing providers to encourage partnerships. The redevelopment of the former YMCA site will be a large-scale private/public partnership.

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 1 Action Plan Citizen Participation response:

The FY 2004-2005 planning process began in Fall 2004 and continued through April 2005 with eleven meetings of the Community Development Executive Committee (CDEC) and nine meetings of the Housing Policy Board. The City held a public hearing in December 2004 and March 2005 to gather input from the public about community needs. The CDEC formed two subcommittees to review proposals and met four times to discuss them. All of these meetings were open to the public and included public comment time. In addition, the Annual Plan was distributed for public review and comment to subrecipients and other interested parties by e-mail and by making copies available in public locations. A public hearing was held in April 2005 to solicit public comments on the draft Annual Plan.

The Plan was provided in draft form to the Housing Policy Board, CD Executive Committee and Waiver and Review Board in April 2005. The Ann Arbor City Council held a public hearing on the draft One Year Annual Action Plan on May 2, 2005, and it was approved by the Ann Arbor City Council on May 2, 2005. The Plan is available on the City's website at www.ci.ann-arbor.mi.us.

This plan incorporates many elements of the Blueprint to End Homelessness Plan which brought together over 350 community members from consumers to legislators to discuss community needs and develop solutions to end homelessness. Sixteen workgroups have been formed to continue working on elements of the plan. The City has installed software called "World Lingo" on its website, which allows the user to convert the text from English to another language.

The following public comments are a summary from the December 20, 2004 public hearing. Representatives from several nonprofit organizations encouraged continued support for services to prevent homelessness for families impacted by the economic conditions, high unemployment rate and high cost of housing in the area. Other comments included: continued support of youth programs that promote civic involvement; improve access to public transportation for youth re safety and extended evening hours; public recreational facilities need to be more youth-friendly; work with the Ann Arbor Public School (AAPS) system to address youth needs. Support job training programs for youth and employment programs in partnership with AAPS. Support youth programs that teach leadership skills needed for future careers in government and public service. Utilize youth as resources in decision-making similar to youth representatives on school board. Support for assistance to re-engage youth in school, need is great under zero tolerance policies.

Other statements at the December 20, 2004 public hearing included: the importance of maintaining the City's current support of the "social safety net;" in moving community development activities toward a regional approach, it is important to consider the effect on surrounding cities and towns which already have significant low-income populations; access to healthcare for uninsured; emergency assistance to prevent homelessness; more affordable housing, access to transportation and employment training for persons with disabilities.

Additional public comments will be added as they are received.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 1 Action Plan Institutional Structure response:

The City's institutional structure will continue to evolve during FY 2005. During FY 2003, the Community Development Department became a service unit within in Community Services, a newly organized service area of the City that includes Parks and Recreation Services, Master Planning Services, and Building, Environmental and Development Services. An intergovernmental team of representatives from the City and Washtenaw County met during the year to review existing housing and human services programs and evaluate opportunities for program improvement and collaboration between the two entities. The team recommended that the City and County initially combine offices and eventually combine programs. The City and County decided to co-locate offices at a County building. The City contracted with the County for a Director of both the City and County programs. The City and County are exploring opportunities to combine staff positions and eliminate duplicative processes. The City will be analyzing the possibility of joining the County HOME consortium and will be soliciting community feedback during the next fiscal year.

The City and County have contracted with LISC to provide technical assistance to nonprofit housing providers and to the City Office of Community Development. LISC will:

- Collaborate with the Office of Community Development on a long-term strategy to build local capacity
- Generate local and regional corporate/foundation financial support for housing providers
- Provide grants and loans to housing providers for capacity building and pre-development costs
- Provide training for personnel and board members to build organizational capacity and effectiveness
- Forge collaboration between housing providers, neighborhood organizations, local lending institutions and businesses
- Provide technical assistance to housing providers regarding grant applications and project feasibility analysis
- Collaborate with and assist with implementation of the Blueprint to End Homelessness
- Develop neighborhood revitalization strategies
- Potentially help with underwriting projects as needed

The City will continue collaborating and coordinating with other funders through the Funders Forum for public services, and with MSHDA and LISC for housing projects. As the Blueprint to End Homelessness is implemented, additional institutional structures may develop.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 1 Action Plan Monitoring response:

Prior to issuing Requests for Proposals (RFP) to utilize federal and local grant funds, the Office of Community Development holds a mandatory bidders conference to review the RFP's and regulatory requirements and provide potential applicants an opportunity to ask questions. Prior to the start of each program year, staff convenes a Contractors Meeting with all nonprofit organizations contracting with the City of Ann Arbor to provide housing, public services, and public facilities. Instructions relating to reporting requirements, grant draw procedures, applicable Federal regulations and compliance with the City 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. Board of Director meeting minutes, financial reports and Federal 990 tax forms are also required. This information, along with the semi-annual and year end performance reports, is used by staff to monitor contract compliance, program effectiveness, board oversight and administrative controls. Staff also conducts onsite monitoring reviews to ensure systems are in place to verify income eligibility and Ann Arbor residency 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.

The City monitors multi-family rehabilitation and new housing developments through the coordination with City planning, building, engineering, utility and public safety staff during the site approval and construction phase. Before funds are committed to a new housing project, environmental reviews are conducted, legal due diligence is performed, financial capacity of the organization and long-term project feasibility is assessed. Affirmative marketing plans, human rights and living wages practices are reviewed for compliance. In addition, the City determines whether other federal regulations such as Davis-Bacon and Section 504 will apply. The City's Rehabilitation Specialist also provides technical assistance and support to nonprofit housing developers and homeowners who are receiving assistance for repairs to their home. The Rehabilitation Specialist conducts on-site inspections, lead-based paint assessments, and monitors construction and rehabilitation completed by subcontractors. Ongoing monitoring occurs through annual Housing Quality Standard (HQS) inspections, income verifications, rent monitoring, financial auditing, and site visits.

The City monitors the homeownership program by coordinating with lenders, requiring homeownership education certification, analyzing the debt capacity of potential homeowners, and discouraging buyers from participating with predatory lenders.

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 has established a part-time local office to increase its ability to provide support. The City coordinates with the other funding sources for housing projects to increase efficiencies and increase consistency of monitoring procedures.

Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.

Program Year 1 Action Plan Lead-based Paint response:

The Lead Safe Housing Regulations dictate the procedures which must be followed regarding renovations and who performs the different elements of renovation. The City will continue to take action to evaluate and reduce lead-based paint hazards in each housing unit assisted through its Rehabilitation Program. Lead-based paint hazard reduction is an integral part of the City's Housing Rehabilitation efforts.

In accordance with federal regulations, the City distributes the EPA/HUD "Protect Your Family From Lead In Your Home" pamphlet and provides other appropriate information to all housing rehabilitation assistance recipients. The information covers the dangers of lead-based paint, symptoms of lead paint poisoning, and provides instructions on actions to be taken if symptoms of lead-based paint poisoning are present.

The Office of Community Development's two Rehabilitation Specialists will continue to attend the HUD sponsored "Lead Safe Work Practices Training for Trainers Course" and refresher courses on lead safe work practices and teach a one day course addressing lead-based paint hazards during renovation, remodeling, and rehabilitation in federally owned and assisted housing. The city will continue working closely with HUD and other regional agencies to obtain necessary training, information, and funding for these required efforts.

Lead risk assessments will be completed by a licensed company for all housing units receiving assistance. The City is creating maps with GIS and Census data to indicate the age of construction and prevalence of children in the homes to assist in prioritizing lead abatement efforts. When conditions are found which indicate a potential lead-based paint hazard, appropriate remedial action will be included as a part of the rehabilitation work. All lead work (interim control/abatement) will be conducted in accordance with federal regulations and performed by an appropriately licensed contractor. This regulation's implementation has impacted the cost of housing rehabilitation significantly. The City will be applying for additional funding to address lead safety issues in the community.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

The City has identified the following program activities and objectives for its HOME program.

ACTIVITY: Acquisition/Rehabilitation

Objective: Eliminate blight, and conditions detrimental to the health, safety, and welfare of citizens by coordinating and supporting housing assistance programs designed to acquire, rehabilitate, and maintain housing stock for extremely low-, very low- and low-income owner and renter households. Eliminate hazards related to lead-based paint and improve energy efficiency. Assist neighborhood preservation by improving the housing for low-income people. Increase the supply of supportive housing, which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence. Improve and focus City initiatives, programs and support toward goals of providing more affordable housing for households identified in the City's Housing Policy, the Consolidated Strategy and Plan and the City's Affordable Housing Policy.

Projects: Grants or loans for rental or homeowner acquisition, rehabilitation, and/or refinancing by Community Housing Development Organizations (CHDO's), nonprofits, individuals and for-profit organizations. Technical assistance will be provided by the City, when applicable.

ACTIVITY: Refinancing with Rehabilitation

Objective: Preserve existing affordable housing stock. Reduce the cost of overall housing costs to make the housing more affordable. Ensure that the housing rental income is sufficient to build up reserves so that the unit is maintained into the future.

Projects: Loans to non-profit housing providers that were previously funded with City funds.

ACTIVITY: New Construction

Objective: Increase new affordable housing stock for extremely low-, very low- and low-income owner and renter households. Improve and focus City initiatives, programs and support toward goals of providing more affordable housing for households identified in the City's Housing Policy, the Consolidated Strategy and Plan and the City's Affordable Housing Plan. Increase the supply of supportive housing, which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence.

Projects: Grants or loans for rental or homeowner new construction by Community Housing Development Organizations (CHDO's), nonprofits, individuals and for-profit organizations. Technical assistance will be provided by the City, when applicable.

ACTIVITY: CHDO Reserves

Objective: The City of Ann Arbor currently has four CHDO's: Avalon Housing, Inc., Community Housing Alternatives (CHA), Homeplace Community Land Trust (HCLT) and Michigan Ability Partners (MAP).

Projects: Grants and loans to CHDO's for acquisition, rehabilitation, new construction and homeownership. The City will provide technical assistance, as applicable and pre-development loans when needed.

ACTIVITY: Tenant Based Rental Assistance (TBRA)

Objective: Increase opportunities for extremely low-, very low- and low-income households to acquire and maintain decent, affordable rental housing in the City of Ann Arbor. Provide rental assistance and security deposit payments. The assistance is portable, meaning the tenant can use the assistance at a residence of the tenant's choice.

Projects: Community Development staff is exploring the use of HOME funds for Tenant Based Rental Assistance. Funds have not been set-aside in FY 2005-2006 for this activity. Public comment is welcome to help determine if this Plan should be amended to include this activity in FY 2005-2006.

Every housing category was given a high priority because the need far exceeded the ability for the City to fund the category. The City will continue to place the highest priority on rental housing for extremely low-income and very low-income rental housing.

SPECIFIC OBJECTIVES: 173 ADDITIONAL OR PRESERVED AFFORDABLE HOUSING UNITS

23 units in the <30% AMI Small Related/Individual Rental Category: 4 units (Avalon Housing/Ozone House); Burton Road 12 units (Zinsor); East Summit 7 units (Avalon/Ozone House).

4 units in the <30% AMI Elderly Owner Category: 4 units CDBG single family rehabilitation

3 units in the <30% AMI Small Related Owner Category: 3 units CDBG single family rehabilitation

48 units in the 30-50% AMI Small Related/Individual Renter Category: Burton Road 48 units (Zinsor)

48 units in the 30-50% AMI Large Related Renter Category: Burton Road 48 units (Zinsor)

3 units in the 30-50% AMI Elderly Owner Category: 3 CDBG single family rehabilitation units

5 units in the 30-50% AMI Small Related Owner Category: 5 CDBG single family rehabilitation units

5 units in the 30-50% AMI Large Related Owner Category: 5 single family rehabilitation units

12 units in the 50-80% AMI Small Related/Individual Renter Category: Burton Road 12 units (Zinsor)

2 units in the 50%-80% AMI Elderly Owner Category: 2 CDBG single family rehabilitation units

10 units in the 50-80% AMI Small Related Owner Category: Liberty Pines 6 units (Homeplace Community Land Trust); 2 Down Payment Assistance units; and to be determined 2 CLT units (Homeplace Community Land Trust)

10 units in the 50-80% AMI Large Related Owner Category: 8 Down Payment Assistance units and to be determined 2 CLT units (Homeplace Community Land Trust)

The following resources will be utilized when available: federal Low-Income Housing Tax Credits, MSHDA non-competitive housing tax credits, MSHDA HOME funds and MSHDA program funds, federal Emergency Shelter Grants, federal Supportive Housing Program grants, federal Shelter Plus Care vouchers, federal tenant based and project based Section 8 certificates, local Affordable Housing Trust funds, LISC loans, Michigan Interfaith Housing Trust Funds, Federal Home Loan Bank grants, Corporation for Supportive Housing Loans, private lending institution loans, and Religious Action for Affordable Housing donations.

The City is establishing relationships with Fannie Mae and local banks for homeownership housing. OCD staff attend HUD, MSHDA, MCDDA, and CEDAM trainings to network with other funders, learn about new products and programs and learn about resources to address the identified needs.

Funding Category	FY 2005	Residuals	Prog Income	Totals
Acq/Rehab/Refi	\$300,000	\$383,232	\$10,000	\$693,232
New Construction	408,316	752,045	0	1,160,361
Homeownership	0	60,306	0	60,306
CHDO Operating	50,594	0	0	50,594
CHDO Reserves	151,782	0	0	151,782
Administration	101,187	55,081	0	156,268
HOME total	\$1,011,879	\$1,250,664	\$10,000	\$2,272,543

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 1 Action Plan Public Housing Strategy response:

The City of Ann Arbor will continue working with the Ann Arbor Housing Commission by providing staff support to reduce the Section 8 waiting list by processing applications more efficiently, by providing funding to increase accessibility of public housing resource centers, by coordinating on project-based Section 8 projects, and by reviewing the impact of the City's Human Rights Ordinance on tenants. The Ann Arbor Housing Commission is not planning to work with tenants on homeownership strategies in this fiscal year and is not designated as "troubled" by HUD.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 1 Action Plan Barriers to Affordable Housing response:

ANTI-DISCRIMINATION: The City of Ann Arbor has adopted a Human Rights Non-Discrimination Ordinance that prohibits landlords from discriminating against, among other things, a person's source of income. The unintentional result of this is that landlords who are willing to accept some number of Section 8 vouchers cannot limit the number of Section 8 tenants they accept. Area landlords are unwilling to rent to Section 8 voucher holders under these "all or nothing" circumstances and the result is there are not enough Section 8 units available to accommodate the number of vouchers available in this jurisdiction. The City is evaluating the ordinance to determine if the ordinance needs to be clarified.

UTILITIES: In 2003, the City amended the water and sewer ordinances increasing tap in fees to over \$15,000, which added another financial burden to affordable housing developers. The City is also under a federal order to disconnect all of the storm water footing drains from sewer drains costing between \$5,000 and \$10,000 per disconnect. The Community Development Unit is working with the City's Utility and Planning Departments to coordinate the City's footing drain disconnect program to offset the cost for affordable housing units.

PROPERTY TAXES: Taxes for Ann Arbor residents are also a barrier to affordable housing. The City has attempted to offer relief from the tax burden by adopting affordable housing covenants in perpetuity which prevents an affordable housing unit from being sold at fair market value. Consequently, the taxable value is based on the restricted sales price instead of the market value. The City has also adopted a Payment in Lieu of Taxes (PILOT) ordinance to decrease the tax burden for rental property. The PILOT program is available to owners of rental housing that the the income of the tenants are 50% AMI or less and for senior housing. In addition, the City has offered Brownfield Redevelopment Tax Increment Financing and Downtown Development Authority Tax Increment Financing for developments with affordable housing included.

DOWN PAYMENT ASSISTANCE: The Office of Community Development administers a Homeownership program to provide down payment and closing cost assistance to first time homebuyers. This program provides an incentive for low-income renters to become homeowners in the City of Ann Arbor. Without this incentive, many of these households would not be able to afford to purchase in Ann Arbor and would purchase homes outside the City limits, where housing is more affordable.

DENSITY: The City of Ann Arbor's Planned Unit Development (PUD) ordinance had required residential developments to include 20% of the residential units, affordable to households at 80% AMI, if the proposed density is higher than the existing zoning allows. The PUD had not been frequently requested and the City formed a committee to analyze the impact of the PUD ordinance on both market rate and affordable housing developments. Based on the recommendations of this committee, City Council recently amended the ordinance to allow developers to pay a fee in lieu of affordable units based on the financial feasibility of the project, and reduced the required affordable units to 10% or 15% depending on the relative increase in density.

ZONING: The Planning and Development Department along with the Citizens Planning Commission are studying existing zoning regulations to accommodate greater density within the City limits and exploring more cost effective infrastructure strategies. In addition, the Planning and Development Department is working with developers to analyze City policies and their impact on housing development. The goal is to develop a best practices model.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 1 Action Plan HOME/ADDI response:

The City of Ann Arbor will only use the forms of investment described in Section 92.205(b) of the HOME regulations.

RESALE FORMULA – HOME-funded homeownership projects will be subject to a resale formula not a recapture formula. Below is the resale formula for homeownership acquisition. The affordability index is 2 times the targeted percent of area median income so that it is affordable to people at lower AMI's instead of the banking industry standard of 2 ½ times income. The maximum resale price does not adjust by individual household-size. The maximum resale price is fixed by bedroom number, which is targeted to a household-size for the purpose of setting up a standard formula. The HOME-subsidized units will be subsidized for a targeted income level and resold to the same targeted income level. Below is an example of units targeted at 80% AMI and 60% AMI. The resale formula for the units will use updated HUD numbers for the year the unit is resold. The following formula uses the HUD's most recently published HOME income limits for the Ann Arbor PMSA for 2005. If the unit is sold in 2006, for example, it would use HUD's most recently published income limits for 2006.

Units targeted at 80% AMI			
Unit Size	Formula	2005 Max Income	2005 max resale
1 BDR	1 person household income x 2.0	\$40,600	\$81,200
2 BDR	2 person household income x 2.0	\$46,400	\$92,800
3 BDR	4 person household income x 2.0	\$58,000	\$116,000
4 BDR	6 person household income x 2.0	\$67,300	\$134,600
5 BDR	8 person household income x 2.0	\$76,550	\$153,100

Units targeted at 60% AMI			
Unit Size	Formula	2005 Max Income	2005 max resale
1 BDR	1 person household income x 2.0	\$32,800	\$65,600
2 BDR	2 person household income x 2.0	\$37,500	\$75,000
3 BDR	4 person household income x 2.0	\$46,900	\$93,800
4 BDR	6 person household income x 2.0	\$54,400	\$108,800
5 BDR	8 person household income x 2.0	\$61,900	\$123,800

The City of Ann Arbor will use the following refinancing guidelines:

Multi-family projects developed by housing organizations that receive HOME (or AHTF) funds for rehabilitation may utilize HOME (or AHTF funds) to refinance existing debt, consistent with 24 CFR 92.206(b)(2), if they meet the following guidelines:

1. Refinancing is necessary to permit or to continue affordability under 24 CFR 92.252 for HOME funds and if HOME funds are not eligible, then AHTF funds may be used;
2. Rehabilitation is the primary eligible activity. A minimum of \$5,000 of rehabilitation per unit is required;
3. The grantee must demonstrate management capacity and practices that ensure that the long term needs of the project can be met and the targeted population can be served over an extended affordability period;
4. The grantee must demonstrate that the new investment is being made to maintain current affordable units, to create greater affordability in current affordable units; or to create additional affordable units;
5. Refinancing will be limited to projects that have previously received an investment of public funds;
6. The minimum HOME (or AHTF) affordability period shall be 15 years;

7. HOME and AHTF funds may be used for refinancing anywhere in the City of Ann Arbor;
8. HOME funds cannot be used to refinance multifamily loans of 5 units or more, made or insured by any Federal program, including CDBG;

The City will not be receiving American Dream Downpayment Initiative Funds for FY 2005.

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 1 Action Plan Special Needs response:

The City expects the organizations that participate in the local Continuum of Care process to provide the majority of programs targeting homeless needs and prevention. The local Continuum of Care receives approximately \$4 million from Supportive Housing Program grants and Shelter Plus Care grants. Washtenaw County provides \$40,000 for payee services. MSHDA is providing 40 Section 8 vouchers with a Homeless Preference as a Pilot program in Washtenaw County.

The Mental Health Block Grant provides \$150,000 for the PATH program. The Substance Abuse Block Grant provides \$525,000 for treatment services. The Ann Arbor Housing Commission and Plymouth Housing Commission provide a maximum of 578 Section 8 vouchers through the Welfare-to-Work program. MSHDA provides \$529,000 in funds for permanent supportive housing. The Family Independence Agency provides \$80,000 for childcare reimbursement. The Department of Education provides \$132,000 for education for homeless youth. In addition, the Ann Arbor Area Community Foundation provides over \$500,000 for support services for homeless individuals and families.

In addition, the City of Ann Arbor provides \$1.3 million in CDBG and general funds for supportive services and \$100,000 for housing rehabilitation grants and \$500,000 in HOME funds for permanent supportive housing. The City will coordinate with the Continuum of Care Board, Housing and Human Services Collaborative Council, and the Blueprint to End Homelessness implementation groups to prioritize funding for support services, prevention activities, and housing activities for homeless individuals and families.

HIGH PRIORITY ACTIVITIES

The City proposes to serve approximately 240 extremely low-income (<30% AMI) formerly homeless or at-risk of becoming homeless individuals within the city who will receive support services related to housing assistance through contracts with nonprofit organizations within the community. Those include: Avalon Housing Inc., Community Housing Alternatives, Michigan Ability Partners and Washtenaw Affordable Housing Corporation.

The City contracts with several organizations to provide supportive services to increase housing stability of low-income households. The Ann Arbor Housing Commission continues to work with Washtenaw County Community Support and Treatment Services (CSTS) to assist 220 residents at Miller Manor, Baker Commons, Broadway Terrace and White-State-Henry public housing sites to remain lease compliant. Michigan Ability Partners will provide supportive services to approximately 40 extremely low-income individuals in the community who are mental health consumers or recovering from substance abuse. The Washtenaw County CSTS program, Project Outreach Resource Team (PORT) continues to work in the community to assist approximately 150 homeless individuals to access physical and mental health services. SOS Community Services also proposes to provide services to 150 families who are at-risk of becoming homeless. Fairy Godparents will provide new furniture to 80 families moving from shelters to independent housing.

The City will also contract with nonprofit organizations to provide emergency shelter and transitional housing services. In 2003, The Shelter Association of Washtenaw County completed construction of The Delonis Center, a 50-bed shelter for single adults and will incorporate a variety of supportive services at the new site. Interfaith Hospitality Network will shelter approximately 40 families. Ozone House provides both emergency and transitional housing for over 100 homeless teens each year. The Father Patrick Jackson House, a division of Catholic Social Services, will provide transitional housing for 12 teen parents and their infants. The Home of New Vision will house over 100 women recovering from substance abuse. The Domestic Violence Project SAFE House proposes to provide temporary shelter for 80 women and their children. All organizations provide intensive case management and supportive services needed to access and maintain permanent housing.

Homelessness prevention activities supported by the City through contracts with nonprofit organizations include: Legal Services of South Central Michigan will provide counsel to over 400 low-income individuals regarding eviction prevention, tenants rights, personal protection orders and other legal matters. The Fair Housing Center estimates it will work with over 50 families regarding claims of housing discrimination. In addition, the FHC plans to work with the Ann Arbor Housing Commission and the City's Human Rights Office to increase utilization of Section 8 Vouchers by private landlords. The City will continue to provide funds to the Housing Bureau for Seniors to offer loans through the Tax and Mortgage Foreclosure Program to prevent 10 – 12 homeowners from losing their homes. Over 100 seniors will also be assisted through the Home Share and Elderly Eviction Prevention Program. Finally, the City will provide funds to the Ann Arbor Area Community Foundation for the new Barrier Busters initiative. A coalition of 30 nonprofit organizations will be working together to administer the emergency cash assistance to eligible households for expenses related to eviction prevention. An additional fund has been established by the City of Ann Arbor Water Utilities Department for low-income residents who cannot afford to pay their utility bill and received water shut off notices.

The City also contracts with nonprofit organizations to provide food to both homeless and extremely low-income residents. Programs include: Food Gatherers, which provides food for distribution and meal preparation to over 60 nonprofit organizations in Ann Arbor; Motor Meals of Ann Arbor, will deliver meals to over 50 homebound and elderly adults; and a food pantry operated by Catholic Social Services at Northside Community Center to serve over 300 families per year. The community meal program has been relocated to the Delonis Center, allowing for efficiencies in the storage and delivery of food, a more complete meal schedule, and increased opportunities for coordination of volunteers. The former breakfast and evening meal programs at area churches will continue to operate with private sources of funding in order to offer another option to the community.

The City will continue to fund transitional housing and permanent supportive housing for homeless individuals and their families with HOME and Affordable Housing Trust Funds. The City has issued an Request for Proposal to redevelop the former YMCA site. The redevelopment must include 100 units of rental housing affordable to extremely low and very low-income households and must include some transitional housing units.

The greatest barriers are always the economy, funding, and capacity. The City cannot address the lack of good paying jobs with benefits. The City has adopted a Living Wage ordinance that requires contractors with the City to provide a living wage for their employees. However, this ordinance impacts a fraction of the employers in the area and local nonprofits are often negatively impacted because they cannot afford to pay living wages to their own employees.

The federal, state and local governments are all experiencing budget cuts and community development tends to be a low priority compared to other services perceived to be core services. Access to transportation is an obstacle to gainful employment and access to services. The City has a good public transportation system, but many of the lowest income residents in the metro area live outside the City limits and do not have access to good public transportation. In addition, the hours of availability severely limit the ability for low-income working households to rely on it completely.

The lack of employment opportunities which include benefits is an obstacle because many of the needs would be reduced if households had adequate health care, disability, unemployment, retirement and other benefits through their employer. The needs would still exist but the cost would be borne by the private sector instead of the public sector. The City only has the financial capacity to address a fraction of the need in the community. And finally, service providers are overwhelmed by the need and do not have sufficient staff or the ability to offer attractive financial packages to maintain their staff.

In the past, the occasional discharge of persons from jails, hospitals, and other institutions into homelessness has arisen as a problem. No one organization coordinates all the available resources in the community to ensure that individuals will not become homeless after leaving an institution; each hospital, corrections facility, or mental health facility develops its own policy. However, over the past few years, several organizations have begun working together to improve coordination between programs to prevent discharging individuals into homelessness.

Community Support and Treatment Services (CSTS, formerly Community Mental Health Services), a division of Washtenaw County that serves seriously mentally ill and substance abuse populations, has an official discharge planning policy, as follows: "Programs shall initiate discharge planning processes as soon after services begin as clinically feasible, but no later than the point at which the client has achieved a level of functioning commensurate with the discharge criteria for that program. Discharge planning may include referral to other Washtenaw County Health Organization programs or to other community resources. Every effort will be undertaken to insure that members are provided the opportunity for maximum community inclusion with natural supports. Each program of the Comprehensive Specialty Services Network Provider [contract agency] shall develop a method for evaluating service outcomes for Members discharged from their program."

CSTS is also collaborating with the University of Michigan Department of Psychiatry and several contract agencies to encourage proper discharge of patients. Any time CSTS discharges an individual, the case managers and a placement coordinator make sure the individual has someplace to go. In fact, as soon as the person is admitted, these professionals begin researching housing options. Often, they check with family members or a current landlord before investigating other transitional housing opportunities. Whenever individuals are discharged from one program (such as a hospital) to another, CSTS facilitates the transition. They also work to make smooth transitions to Crisis Residential House, a transitional housing program for people in psychiatric crisis. CSTS has a full time housing coordinator, who assists in securing housing at the point of discharge or transfer.

Project Outreach Team (PORT), a unit of CSTS, has worked with the inpatient social workers at the University of Michigan hospital psychiatric unit to help them understand the options in the community that exist to prevent discharge of patients onto the streets. PORT had also established an ongoing work group with the Washtenaw County jail to address this issue; CSTS has now hired a supervisor at the jail to assist with prevention of inmates being released without a place to live.

Part of the Continuum of Care Board's current work plan for 2004-2005 is to identify and document the discharge planning policies of all institutions and systems of care in Washtenaw County. If an organization has no written policy, the Board will record their current practices to ensure that individuals are not discharged into homelessness. By creating a single record containing this information, the Board will be able to verify that practices similar to those of CSTS are being followed throughout the County. In addition, when preparing a community-wide discharge plan, the Continuum of Care Board will aim to include as many and as wide a range of organizations in the community as is possible. Not only will they reach out to hospitals and correctional facilities, but the Board will also work with local housing providers, police, and the City of Ann Arbor. As a result of this effort, a policy guideline will be developed for local use with law enforcement and local hospitals. The Continuum of Care will also draw from the state-level initiative being conducted by MSHDA, and incorporate those policies into local policy and practice.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 1 Action Plan ESG response:
NOT APPLICABLE

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 1 Action Plan Community Development response:

PUBLIC FACILITIES and IMPROVEMENTS: The City expects to receive requests for the removal of architectural barriers, rehabilitation or expansion of existing public facilities from: the domestic violence shelter, a senior citizen center, a childcare facility, a youth center, a handicapped center, health facilities, two homeless facilities, two neighborhood facilities, an abused and neglected children facility, and an HIV/AIDS services facility. The City will consider funding for these requests as they are received in order to maintain adequate facilities to provide public services for low-income households. The City generally does not fund public infrastructure improvements with CDBG funds as traditionally these projects are funded with city general funds, enterprise funds, grants, and special assessments.

ECONOMIC DEVELOPMENT: CDBG funds are generally not used for economic development activities as those activities are generally funded through other sources such as the Washtenaw Economic Development Council, Community Action Agency, Workforce Development Council, Michigan Economic Development Council, Michigan Works, local Chambers of Commerce, Washtenaw County Planning Department, Brownfield Redevelopment Authority and local Downtown Development Authorities.

PUBLIC SERVICES (HUMAN SERVICES): The City supports a variety public services with City general funds and the maximum allowed (\$396,000) in CDBG funds. The City contracts with over 50 nonprofit organizations which in turn leverage a significant amount of other funding to provide a full range of human services to the community. The estimated number of households to benefit from public service CDBG funded programs and projects are: fifty general public services, ten senior services, twenty handicapped services, five legal services, fifty-five youth services, twenty-five substance abuse services, fifteen battered and abused spouses services, and five fair housing activities, five tenant counseling services, five child care services, twenty-five health services, one abused and neglected children, and twenty-five mental health services.

In 1989, City Council formalized its commitment to human services with the approval of a Human Services Policy. The Policy stated that the City of Ann Arbor recognizes that it must invest in its human capital as well as its physical infrastructure, public safety or public works. To this end, the City must seek to assure the adequate levels of appropriate human services are made available to residents of the City, particularly the most vulnerable. This requires ongoing planning, communication and coordination with a variety of public and voluntary organizations, county, state and federal governments, the Ann Arbor Area Community Foundation, Washtenaw County United Way and community organizations such as the Washtenaw Housing Alliance and their planning process for the Blueprint to End Homelessness.

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

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

Funding priorities for human services are those services provided to individuals or families experiencing difficulty in meeting their basic human needs. Services shall be targeted to residents of Ann Arbor who are low, very low and extremely low-income as defined by the Department of Housing and Urban Development. Services may also be targeted geographically, by age group, or by specific need.

There are four main objectives which have been established by the City to meet the statutory goals. Annual outcomes to support these goals are as follows:

A) Increase Housing Stability

- The Barrier Busters Emergency Assistance Fund will prevent 60 households from becoming homeless;
- Washtenaw County-CSTS will assist 30 households living in public housing to maintain housing stability
- Avalon Housing Inc. will provide support services to 149 households
- Catholic Social Services will provide support services and transitional housing for 6 parenting teens and their children
- Community Housing Alternatives will provide support to 17 households
- The Domestic Violence Project will provide transitional housing and support services for 40 battered spouses and their children
- The Fair Housing Center will investigate 20 cases involving housing discrimination
- HIV/AIDS Resource Center will provide housing supports to 50 persons.
- Home of New Vision will provide transitional and housing support services to 25 women and their children.
- University of Michigan Housing Bureau for Seniors will assist 130 seniors to maintain housing stability.
- Interfaith Hospitality Network – Alpha House will provide support services to 20 families transitioning into permanent housing.
- Legal Services of South Central Michigan will provide tenant counseling services for 150 households and legal tools to prevent eviction for 250 households.
- Michigan Ability Partners will provide housing support services for 45 individuals recovering from substance abuse.
- Neighborhood Senior Services will provide support services for 400 seniors to maintain housing stability.
- Ozone House will provide transitional housing and support services for 15 youth.
- Washtenaw Affordable Housing Corporation will provide housing support services for 80 households.

B) Increase Access to Health and Well-being

- Art Oasis will provide art class scholarships for 20 persons with mental illness.
- The University of Michigan Community Dental Center will provide reduced-fee dental services for 150 low-income individuals.
- The Corner Health Center will provide healthcare for 50 uninsured youth and their children.
- Food Gatherers will provide 2.5 million pounds of food to over 100 programs serving low-income households.
- Hope Medical Clinic will provide dental care for 100 low-income individuals.
- Packard Community Clinic will provide reduced fee health services for 110 low-income individuals.
- Planned Parenthood of Mid-Michigan will provide Spanish-speaking health services for 50 low-income women.
- St. Andrews Breakfast Program will provide a free breakfast and sack lunch for 100 individuals daily.

C) Increase Long-term Success of At-Risk Youth

- The Ann Arbor Community Center will provide after school programming and summer day camps for 90 low-income youth.
- Arrowwood Hills Cooperative will provide after school and day camps for 30 low-income youth.
- The Center for Occupational and Personalized Education will provide alternative education for 10 low-income youth expelled from public school.
- Community Action Network will provide after school and summer camps for 50 households at public housing sites.
- Community Leaning Post will provide after school and summer activities for 50 very-low-income youth.
- Family Learning Institute will provide reading and writing skill-building services for 100 low-income youth.
- Food Gatherers will offer employment opportunities for 20 low-income youth.
- Help Source will operate the Teen Parent Center to provide intensive case management for 20 pregnant teens and the Big Brother/Big Sister program to facilitate adult mentoring for 80 children from single-parent homes.
- Peace Neighborhood Center will provide after school and summer camp activities for 60 low-income youth.
- Student Advocacy Center will provide support services to assist 60 low-income households to access appropriate education and maintain their child's enrollment in school.
- The Women's Center of America will offer support and mental health counseling services to 60 low-income women.
- Youth Empowerment Project will offer enrichment activities to increase civic involvement for 100 low-income youth.

D) Increase Family Economic Stability

- Ann Arbor Center for Independent Living will provide support services for 150 persons with disabilities.
- Ann Arbor YMCA will provide job training activities for 30 developmentally disabled youth.
- Catholic Social Services will provide 600 low-income households with supplementary food and assistance for 700 seniors to access entitlements and Medicaid/Medicare benefits.
- Center for Empowerment and Economic Development will offer small business workshops and start-up loans for 15 low-income persons.
- Child Care Network will provide 60 childcare scholarships for low-income households.
- Motor Meals of Ann Arbor will provide home delivered meals to 40 disabled, home bound persons.
- The Womens Center of America will provide job coaching services for 15 under-employed women.
- Washtenaw Literacy will provide one-on-one and ESL group literacy training for 150 low-income individuals.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 1 Action Plan Antipoverty Strategy response:

The City of Ann Arbor and Washtenaw County have participated in a joint Continuum of Care process to develop and implement a coordinated approach to reducing poverty and homelessness. Through permanent subcommittees of the Continuum of Care Board, the City of Ann Arbor participates in the Adult Populations Action Group, the Youth and Families Action Group and Barrier Busters. The City of Ann Arbor provides financial support to the Barrier Busters emergency assistance project, which improves access to emergency assistance to Ann Arbor residents through a consortium of community agencies committed to eliminating administrative barriers.

Representation at the subcommittee level includes the City of Ann Arbor, Washtenaw County and human service organizations to develop and implement a comprehensive plan for emergency shelter and services, transitional and permanent housing. These joint efforts has encouraged a systems approach to homelessness to enable more homeless individuals to achieve self-sufficiency and find jobs and housing in the community.

A new shelter opened in 2003 to serve thirty-five (35) men and fifteen (15) women per night. The shelter includes a community kitchen that is staffed by volunteers coordinated by the Ann Arbor Hunger Coalition and the YMCA "Chain of Plenty" program. Food Gatherers' staff provides employment training and support in food preparation and serving meals for homeless shelter residents who require on the job training to enable them to find employment in the community.

The City of Ann Arbor provides assistance to those living below the poverty level by supporting and promoting the development of permanent supportive housing, increased access to healthcare, and encouraging the coordination of housing and employment support services of all fund recipients of CDBG and HOME funds to lessen the financial burden on this population.

Increased access to health care will be provided through contracts with nonprofit organizations. The University of Michigan Community Dental Center to subsidize costs for 200 low income patients. The University of Michigan Community Family Health Center will provide mental health care and prescription subsidies for 100 uninsured individuals. The Corner Health Center will provide pre-natal, general care and health education for 75 teens and their children. Packard Community Clinic will provide general medical care for 150 patients without health insurance. Hope Medical Clinic will provide low cost medical and dental care for 100 individuals. Planned Parenthood of Mid-Michigan will provide pre-natal health care services to 50 Spanish-speaking women.

The City will contract with several organizations for activities related to improved employment and economic stability for low-income families. The Women's Center of America will provide financial and career counseling to 75 women. P.O.W.E.R. will assist 100 families with financial and budget counseling in preparation for homeownership, and Washtenaw Literacy will help 40 people improve basic reading skills to succeed in the job market and over 100 individuals with learning English as a Second Language.

The City will support programs to increase school success for youth to improve economic opportunities through contracts with the following nonprofit organizations: The Center for Occupational and Personalized Education will provide an alternative

education program for 20 students who are expelled from public schools; Family Learning Institute will provide reading, writing and comprehension coaching for 100 4th to 8th grade students; Community Learning Post will provide tutoring and mentoring for 55 youth and Student Advocacy Center will assist 50-60 families to access appropriate education for their children. The Ann Arbor YMCA Chain of Plenty, is a program operated in partnership with the Washtenaw Intermediate School District for 40 developmentally disabled high school students. The students will learn job skills by preparing daily meals for residents of the new Delonis Center.

The City will contract with several nonprofit organizations to provide services to benefit youth and families. Specific programs include: Child Care Network will provide 80 childcare scholarships; Help Source will operate the Teen Parent Center to provide intensive case management for 20 pregnant teens and the Big Brother/Big Sister program to facilitate adult mentoring for 80 children from single-parent homes.

The City will contract with several organizations to address the needs of senior citizens and persons with disabilities. Neighborhood Senior Services will provide home chore services, transportation and support to over 500 seniors as well as construct and install 4 wheelchair ramps. The Ann Arbor Center for Independent Living will provide support services, housing and employment assistance to 150 persons with disabilities. The University of Michigan Housing Bureau for Seniors will assist over 400 seniors to access housing and needed supportive services. Catholic Social Services will assist over 800 seniors regarding Medicare/Medicaid applications and tax preparation; HIV/AIDS Resource Center will provide case management and support to 60 individuals and their families.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

The City Housing Objectives will include housing targeted to non-homeless special needs housing. The City's goal is to fund rehabilitation of 9 units of housing for the elderly with CDBG funds and assist 10 public housing residents move into market rate housing with housing vouchers, and fund the the acquisition and rehabilitation of 7 units of housing for individuals recovering from alcohol and drug addiction with Affordable Housing Trust Funds. The City generally does not identify or prioritize funding based on HUD's definition of non-homeless special needs populations, and this population is served through the City's housing and human services funding with

programs for individuals and families that may be homeless, low-income, or special needs.

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on the accomplishments under the annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 1 Action Plan HOPWA response:
Not applicable.

Specific HOPWA Objectives

Jurisdiction

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 1 Specific HOPWA Objectives response:
Not Applicable

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.

Public Comment for City of Ann Arbor FY 2005 – 2009 5-Year Consolidated Strategy and Plan and FY 2005 One Year Action Plan

I am a: <i>(Check all that apply)</i>				
<input type="checkbox"/> Resident	Zip Code _____	<i>Check one:</i>	<input type="checkbox"/> Renter	<input type="checkbox"/> Homeowner
<input type="checkbox"/> Business Owner	Zip Code _____			
<input type="checkbox"/> Local	Zip Code _____			
<input type="checkbox"/> Nonprofit Provider	Zip Code _____			
Please indicate key services your agency provides and target clients				
Optional (Please complete if you would like a written response from us):				
Name:				
Address:				

Comments, concerns, questions: *(feel free to use the back of this form if you need more room)*

Please e-mail, fax or mail your comments no later than May 13, 2005 to:
 Jennifer Hall
hallj@ewashtenaw.org

Office of Community Development
 P.O. Box 8647, 110 N. Fourth Ave. Ste. 300
 Ann Arbor, Michigan 48107-8647
 Phone (734) 622-9025 Fax (734) 622-9022

ATTACHMENT A
SUMMARY OF CITY OF ANN ARBOR
FY2005/06 COMMUNITY DEVELOPMENT BLOCK GRANT
& HOME PROJECTS

COMMUNITY DEVELOPMENT BLOCK GRANT

HOUSING REHABILITATION		PUBLIC SERVICES	
<i>Single Family Rehabilitation</i>	315,164	<u>INCREASE HOUSING STABILITY</u>	
-homeowner loans for code improvements to 22 HH		<i>Avalon Housing Inc</i>	75,000
		- 603 W. Huron St.: Tenant Support Services	
		<i>Legal Services of South Central Michigan</i>	51,000
REHABILITATION AND PRESERVATION	100,000	- 420 N. Fourth: Legal Services	
		<u>INCREASE ACCESS TO HEALTH & WELL BEING</u>	
		<i>Food Gatherers</i>	100,000
		-PO Box 131037: Food Rescue & Distribution	
		<u>INCREASE FAMILY ECONOMIC STABILITY</u>	
		<i>Child Care Network</i>	170,000
		- 3060 Packard: Child Care Scholarships	
RELOCATION	50,000	PUBLIC FACILITY AND IMPROVEMENTS	
- Permanent/Temporary Relocation assistance related to acquisition & rehabilitation activities			50,000
HOMEOWNERSHIP ASSISTANCE	91,611	GRANT ADMINISTRATION	231,739
- Downpayment and closing cost assistance to first time homebuyers		2005-2006 CDBG ENTITLEMENT TOTAL	<u>\$1,234,514</u>
		2005-2006 PROJECTED PROGRAM INCOME	200,000
		PROJECTED PROGRAM RESIDUALS	751,000
		2005-2006 CDBG ENTITLEMENT PROGRAM TOTAL	<u>\$2,185,514</u>

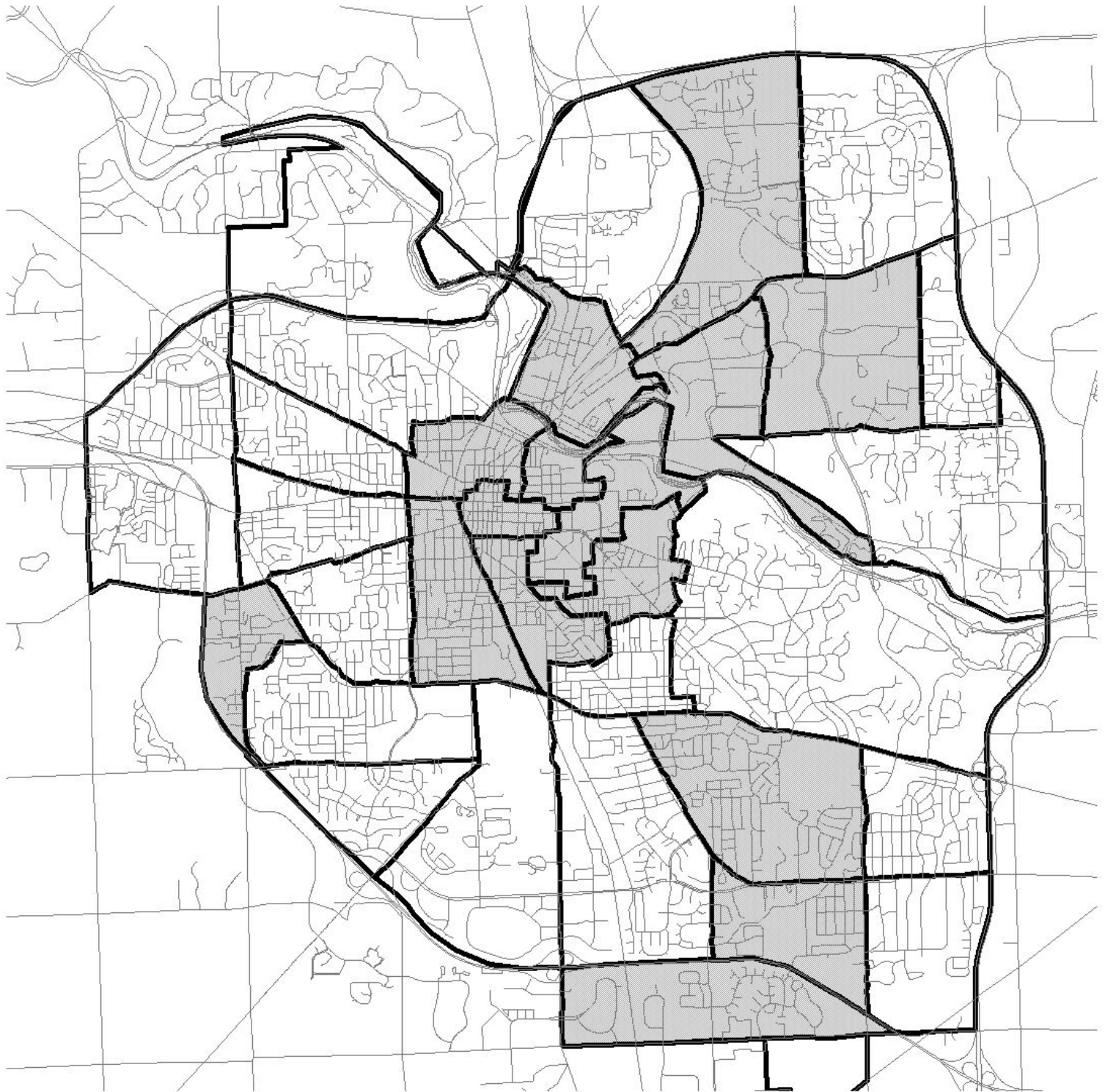
HOME PROGRAM

HOME ACQUISITION / REHAB		CHDO - Operating	
- housing acquisition & rehabilitation (funding to be allocated to projects after review)	\$300,000	<i>Avalon Housing, Inc., 603 W. Huron St.</i>	27,900
NEW CONSTRUCTION	408,316	<i>Community Housing Alternatives, Inc., 107 Ferris St., Ypsilanti</i>	14,894
- housing new construction (funding to be allocated to projects after review)		<i>Michigan Ability Partners LDHA, LLC - 3810 Packard Road</i>	7,800
CHDO RESERVES	151,782		
- housing acquisition, rehabilitation and new construction (funding to be allocated to projects after review)		GRANT ADMINISTRATION	101,187
		2005-2006 HOME PROGRAM TOTAL	<u>1,011,879</u>
		2005-2006 PROJECTED PROGRAM INCOME	10,000
		PROJECTED PROGRAM RESIDUALS	1,250,664
		2005-2006 HOME PROGRAM TOTAL	<u>\$2,272,543</u>

Low-Moderate Income Areas City of Ann Arbor



Attachment C



 Low-Moderate Income Areas *

* Represents Census Block Groups where 51% of the households have incomes less than 80% of the City Median Income.



Source: 2000 Census Data

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Prepared by Ann Arbor City Planning Department
April 02, 2003 u:\plan\gis\2k census.apr