

AGENDA

Committee of the Whole AGENDA FOR FEBRUARY 27, 2023 AT 5:30 PM



Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.

Council Member Wood, Chairperson
Council Member Garza, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. February 13, 2023
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
 - B. Lansing Fire Department Update on their Acquired ARPA Funds and Budget
 - C. Park Board 2022 Annual Report
6. **Discussion/Action:**
 - D. RESOLUTION - Affirming the Appointment of Danielle Grubaugh; Workforce Development Member; Community Corrections Advisory Board (CCAB); Term to Expire September 17, 2023
 - E. RESOLUTION - Fiscal Year 2020 CDBG Amendment to Annual Action Plan & Fiscal Year 2021 CDBG Amendment to Annual Action Plan
7. **Other**
8. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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MINUTES **Committee of the Whole** **Monday, February 13, 2023 @ 5:30 p.m.** **Tony Benavides Lansing City Council Chambers**

CALL TO ORDER

Council President Wood called the meeting to order at 5:30 p.m.

PRESENT

Council Member Carol Wood
Council Member Jeremy Garza
Councilmember Adam Hussain
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Ryan Kost

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Lisa Hagen- Lawrence, OCA
Jim Smiertka, OCA
Barb Kimmel, EDP
Doug Fleming, Lansing Housing Commission
DeLisa Fountain, DNACE
Jane DiSessa, Deputy Mayor
Steve Reich, Lansing Housing Commission

Minutes

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM JANUARY 23, 2023, AS PRESENTED. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM THE FEBRUARY 6, 2023, ANNUAL TRAINING AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

No public comment at this time.

Presentations

Dept. Neighborhoods, Arts & Citizen Engagement Updates

Council President Wood informed the Committee that certain departments have been invited to the Committee to talk about their ARPA funds and how their current budget is going.

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Ms. Fountain spoke briefly on the ARPA funding updates, including the OFE which included VITA Mobile -\$735,000; Marketing of OFE-\$100,000 and Clear DWLS - \$102,000. An updated since the document was printed, Ms. Fountain confirmed they have acquired a list for DWLS and working on that.

Council Member Spitzley asked for recap of what the VITA Mobile is, and Ms. Fountain stated this is to purchase a bus to take people into the residential areas to assist with taxes. Council Member Spitzley asked about the DWLS process, and Ms. Fountain stated they would be reaching out to the residents.

Council Member Brown asked about the start date for the start date for the tax assistance, and Ms. Fountain stated she did not have it currently but would provide to Council. Council Member Brown asked about the OFE Marketing and if there is internal marketing to refer people to benefit. Ms. Fountain noted her understanding it is both; internal and external. One internal is 311 with an auto-dialer system for those that receive rental assistance. There were initially 500 calls and based on that all the time slots are full. Council Member Brown asked about the DWLS item and if the barriers were from, and Ms. Fountain stated she would provide those to him.

Council Member Garza asked how many staff are in her department and if there is an issue with clearing the balances. Ms. Fountain stated she has two, and there are contract employees that work with vendor success. In the financial empowerment they contract with Cristo Rey. Council Member Garza asked who is making the calls. Ms. Fountain stated again it was the auto-dialer, and they will use traditional mailings, and utilizing internal staff.

Council Member Wood asked for follow up on when the VITA mobile will be up and running.

Ms. Fountain moved into the DNACE with NAB Grants - \$400,000 which will include \$200,000 for FY 23 and FY 24, and the deadline for that grant is not until March 3rd, so no definite figures until after that. With the Gun Violence Prevention Grants -\$300,000 and will be awarded late this spring.

Council Member Spitzley asked about the notification process on the grant awards and outreach to let non-profits and community groups know. She then asked about data bases in the city, so when dollars are available as many people as possible get notified. Ms. Fountain acknowledged they have been attending neighborhood meetings, citizen engagement whenever they are at public meetings and gatherings, and new organizations. For the data base question, there is not a traditional data base, but an excel spreadsheet. Anyone that has applied in the past and even denied, they get the information.

Council Member Garza asked if they have considered cleaning up property projects. Ms. Fountain suggested those organizations apply for the grants or Council Members contact them.

Council Member Brown asked about the \$200,000 neighborhood grants that impact neighborhoods and their definitions. Ms. Fountain stated the grants go up to \$5000, and neighborhoods can apply for more than one project.

Council Member Brown asked about the amounts for this year and last year for Neighborhoods in Bloom, and Ms. Fountain stated it is \$20,000 and each kits cover 24 sq. ft.

Council Member Brown asked if the gun violence grant was connected to Advance Peace. Ms. Fountain stated this is for intervention.

Lansing Housing Commission – Annual Reports

Mr. Fleming introduced Mr. Reich.

Mr. Reich acknowledged the audits are through June 30, 2022, and the previous annual reports. It was noted 80% comes from HUD so they do report out to them. Mr. Reich noted that all outstanding debts has been taken care of, there is an over funding on their employee pension plan, and regarding the vouchers for residents they are up to \$13.8 million distributed to the Lansing area.

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Council Member Brown noted the annual report, it was noted they did not audit Mount Veron, Hildibrant, and other housing, and therefore asked for details.

Mr. Reich stated those noted are separate legal entities and not controlled by the LHC but are represented in the report. Their annual reporting dates end 12/31 of every year, and those have been audited but not by Plante Moran.

Council Member Garza asked about the 191 homes sold through SK, were those scattered, and if LHC is under management. Mr. Fleming stated the sale has not closed yet but should close in the next couple weeks. There is an arrangement for management over the next 6 months. Any concerns can be directed to the management company that they have been working with prior, and the transition was agreed upon with LHC and SK.

Council Member Spitzley asked who audits the separate of the housing units. Mr. Reich stated Maner Cristesian, and he added that Plante Moran is required to include those numbers in the LHC report, but not the audit. The audits do exist and can be shared with Council. The Plante Moran audited the LHC and the units they own wholly, and the Section 8 program. Even though Plante Moran does not audit, they do verify the numbers in this report are from the Maner audits. Mr. Fleming stated that when auditing the program, and they are an independent audit on them since they are not part of. For example, Oliver Gardens is an independent audit. Council Member Spitzley referenced Section 8, and asked about the number of vouchers taken over in January 2022 with the reimbursement. Mr. Fleming stated those were grant programs as a part of Holy Cross the relinquished them in December 2021. The LHC spent 6 months writing the programs finding out why overspent, and so now those grants have been moved from the City to HUD, and now working directly with HUD on those programs. They were all renewed in July and August 2022 and now LHC and HUD are managing. Council Member Spitzley asked for the process on Section 8 vouchers and housing. Mr. Fleming there is a wait list, opened once a year, where they get 3500 applications in 7 days, then lottery down to 600 individuals to start the process on. In the process the applicant has to come to LHC and make sure they are eligible. Once determined eligible, they are provided a voucher, and the applicant goes into the community to find the housing unit that meets the limitations. Once found, the applicant signs the lease with the owners, then LHC employs a third party HQS inspection, which has to pass before payment is made. The decision on where someone lives, it depends on where the recipient finds their acceptable housing. Council Member Spitzley asked if they have a list of landlord acceptance list, and Mr. Fleming confirmed they do and added they have an incentive program for landlords to get more involved. It is not just in the City of Lansing where vouchers are accepted. In the future, it was added, that if the tenant has a complaint, they can file a complaint with LHC and they will have an inspection, and the voucher can be stopped until the situation is remedied. He concluded by stating that anyone with a Section 8 is not living in LHC properties.

Council Member Kost asked if any maintenance has been followed through on the properties selling to SK. Mr. Fleming stated they have spent \$500,000 over last 6 months; they will have to pass an HQS inspection as well. If there were any places with issues, were written up, and over the last 30 days the inspection was done again. Any issues have been corrected. Of the 20 reinspection's today they are all passed. There are 4 units that are red tagged, and they are offline. An RFP was just done for those. Council Member Kost stated he was aware of a property where someone was living in it. Mr. Fleming asked for the address. Council Member Kost referenced some multi family projects, and the construction material on site. He asked if there is a plan to get contractors to clean up. Mr. Fleming stated he would look into it, and Mr. Kost stated there were trash bags next to the dumpsters which appeared to be resident trash. Council Member Garza who was responsible for making sure properties have valid rental certificates. Mr. Fleming stated they are not responsible, that is the city responsibility.

Council Member Brown asked about the grants. Mr. Fleming state the responsibility is the same, and the grants are worked with HUD. It was a joint decision with the LHC and the City to move to HUD. The city made the decision to move the fiduciary as well. He offered to

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provide the list of the six (6) grants to Council. HUD is the fiduciary of the grants. Council Member Brown asked about the timeline process for the HQS, and Mr. Fleming stated they hope to get done in 2-3 days. If the inspection does not pass, they go to the owner to get it fixed. It could vary based on how bad the inspection was. Council Member Brown asked about the turn around time on the payment of the vouchers. Mr. Fleming stated they have 1800 vouchers, and make them monthly. There are 100's in the ACH payments to the landlord management company, when applied to resident accounts is between the landlord and their payment system. Any manual payments are made on the 15th of the month. If there issues the voucher holder should contact LHC if the landlord states they did not get payment. Every year they have to be recertified for the program, and if they do not a payment will be held. Council Member Brown asked if a person is not pleased with management and maintenance. Mr. Fleming reiterated they call LHC.

Council Member Garza asked the Administration, Ms. DiSessa, how is the City making sure the Section 8 vouchers are going to property with valid rental certificates. Ms. DiSessa stated she is sure there is a process, but does not have the actual process currently and will get back. Council President Wood asked if the HQS is asking the landlord for a rental certificate. Council Member Spitzley asked if the inspection fails are the re inspections done in appropriate days.

Council Member Hussain asked who is the contractor for site management and maintenance, and Mr. Fleming stated Michigan Asset Management Group is contractor. If there was current staff on the property they are leasing them. There are budgeted for 1.5 managers at every site, but would have to check with management if there are any vacancies.

Council Member Hussain stepped away at 6:33 p.m.

Council President Wood asked if there were any financial adjustments from the audit, and Mr. Fleming stated there was no findings.

Council President Wood asked about the interest rate variables, and Mr. Fleming stated that S. Washington qualified for the 9% program which is a competitive program. It was the only one that was going to qualify. The other three did not qualify and they went to the 4% program and got last tax credits. They all worked out for MSHDA.

ARPA Grant Awards Updates from Administration

Council President Wood referenced all the documents in the packet.

Council Member Hussain returned at 6:36 p.m.

Ms. DiSessa confirmed there are 13 grants with signed contracts, received 50% and they have met the qualifications. Once they finish the reporting, they will receive the remaining funding they were were awarded. Of the remaining, 4 were received this weekend, 4 are on hold for their State ID they will be processed. There are 6 contracts the City is still waiting on, and they will be contacted again. Those that are remaining that did not qualify they are meeting with them. The priority currently is to finalize the contracts for the awarded one.

Council Member Spitzley noted that there are some that scored high that did not get money and some that scored low that got money, and therefore asked what was the thought process. Ms. DiSessa stated some may have done a great report and met requirements. Council Member Spitzley provided an example where one grantee scored 80 and one scored 60 but the lower score got the funds. Ms. DiSessa stated it could depend on what was requested might not have met the requirements. Council Member Spitzley noted that if they did not meet requirements they should not have gotten a high score. Ms. DiSessa stated they could have a higher score on the reporting, but no points because what they wanted was not qualified.

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Council President Wood referenced the ARPA Application breakdown, and Ms. DiSessa clarified that “Evidence for MI Dogman” and “The Questioning” were the same.

Council Member Brown asked for better clarification on the scoring. Ms. DiSessa stated that they were all looked at to make sure all requests met qualifications. Council Member Brown asked if the process was to look at applications first. Ms. DiSessa stated they looked at application and to make sure they were eligible. Council Member Brown asked for definitions on specifics, and Ms. DiSessa stated she would have to look at his specific.

Council Member Hussain about the Committee recommendation to the Mayor, and if the Mayor adjusted after. Ms. DiSessa stated he accepted the recommendations. Council Member Hussain stated he has been told people have not received contract. Ms. DiSessa stated they have not received the ARPA manager, Ms. Whitfield. Council Member Hussain stated he was also told that they were not informed they would only get 50% up front and reporting. Ms. DiSessa stated that Ms. Whitfield has informed the groups.

Council Member Spitzley asked Ms. DiSessa who the ARPA manager was, and also if Mayor made changes. Ms. DiSessa stated these are recommendations to the Mayor, and she was not sure if the Mayor made changes. The ARPA Manager is Daphne Whitfield and can be reached at 483-4016.

Discussion/Action

RESOLUTION to Support American Airlines Extension Authorizing Non-Stop Daily from Lansing to Ronald Reagan Washington National Airport

MOTION BY COUNCIL MEMBER GARZA MADE THE MOTION TO APPROVE THE RESOLUTION TO SUPPORT AMERICAN AIRLINES EXTENSTION AUTHORIZING NON STOP DAILY FROM LANSING TO RONALD REAGAN WASHINGTON NATIONAL AIRPORT. MOTION CARRIED 8-0.

Council Member Garza stepped away from the meeting at 6:52 p.m.

RESOLUTION – Setting Public Hearing; CDBG Amendment for FY2020 Annual Action Plan and FY2021 Annual Action Plan

Ms. Kimmel went through the presentation outlining the process to amend. There is a 30 day public comment period, hold a public hearing, the notice referenced the 30 day comment period and ends March 3, 2023. Any public comments can be sent to Ms. Witherspoon via email. They are requesting a public hearing on February 27, 2023.

Council Member Garza returned to the meeting 6:54 p.m.

Ms. Kimmel noted the amendments for FY2020 to reallocate \$540,958.69 to the purpose of rental rehab at Walter French. For FY 2021 \$1,165,593.20 which includes \$274,356.31 for Walter French, \$891,236.89 for public facilities. Ms. Kimmel spoke about where funds came from and why there were not spent. This was outlined in the presentation in the packet.

Ms. Kimmel asked for action the same night of the public hearing on February 27, 2023.

Council Member Garza asked about the number of units. Ms. Kimmel confirmed it was an error and should be 39.

Council Member Jackson asked about the shelter and location. Ms. Kimmel stated there will be an RQP for the program, and there is nothing planned for the shelter location at this time.

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Council Member Garza asked for clarification on 15% CDBG for public services, and who would Council reach out to. Ms. Kimmel stated this is HUD category, but public service is not involved in these services. If he wasn't neighborhood cleanup, he should call DNACE.

MOTION BY COUNCIL MEMBER GARZA MADE A MOTION TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR THE AMENDMENTS TO FY 2020 AND FY 2021 CDBG ANNUAL ACTION PLAN FOR FEBRUARY 27, 2023. MOTION CARRIED 8-0.

Other

No other topics at this time.

Adjourn

The meeting adjourned at 7:05 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee

City of Lansing Park Board 2022 Annual Report

Park Board Updates

2022 saw another big shift in makeup on the Lansing Park Board: three new members joined the eight person Board. The Board welcomed Isaac Fransisco, Joan Lenhard, and Tirstan Walters this year. The Board is now fully seated for the first time in over two years and is excited for the additional capacity to help fuel more vibrant parks in 2023 and beyond.

Department Accomplishments

The Board congratulates the Department on another successful year of providing the residents of Lansing with recreational opportunities by running recreation activities and maintaining our parks. Highlights include: significant work was done to extend and maintain the Lansing River Trail, planting 300 trees with assistance from John Krohn and the Ingham County Land Bank, having the 4th of July concert after a hiatus during COVID, and greatly increasing the attendance for youth sports.

Capacity for Resident Input

The Board is concerned that the department does not have enough capacity to meaningfully involve residents in design and strategic decisions. More residents attended our board meetings or reached out via email than in previous years, mostly around changes to their parks that they were not aware of or involved with. Most concerns came from:

- Removal of lights in Bancroft Park
- Discussions with LEPFA about building a driving range in Bancroft Park without involvement of the Board, the friends group, or neighbors
- Removal of infrastructure in St. Joe's park without input from neighbors
- Replacement of playground structures without input from neighbors

We are concerned that without meaningful citizen input it will be hard to activate our parks and provide the recreation activities that residents need. The Board is interested in exploring ways to encourage more input from Lansing residents in order to help board members and the department make more informed decisions about what residents need and want in their parks. We also believe citizen involvement breeds stewardship and additional users in our city parks. The Board is willing to work with the mayor, city council, neighborhood groups, and the department to address this topic that affects all our residents.

CIP FY 2022/2023

The Board completed the process to select projects to receive Capital Improvement Project funding. A list of projects was supplied by the department and the Board discussed, down-selected and finally approved by the Board. The projects are:

- Grant match
- Parks paving projects
- Thirteen playground renovations
- Washington Park pavilion
- Tree planting/replanting
- Newly expanded residential tree program
- Foster Park placemaking
- Cemetery repairs
- Fulton Park overlook

The Board is excited to see these projects completed in the coming year.

Introduced by the Law & Courts Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

**RESOLUTION AUTHORIZING THE APPOINTMENT OF THE WORKFORCE DEVELOPMENT
REPRESENTATIVE TO THE INGHAM COUNTY/CITY OF LANSING
COMMUNITY CORRECTIONS ADVISORY BOARD**

RESOLUTION #22 – 500

WHEREAS, the Ingham County Board of Commissioners authorized participation of Ingham County with the City of Lansing in a joint City/County Community Corrections Advisory Board through Resolution 90-51; and

WHEREAS, the make-up of the Community Corrections Advisory Board must represent various criminal justice and community interests as specified in Public Act 511; and

WHEREAS, the work force development position is currently vacant; and

WHEREAS, Danielle Grubaugh, 1700 E. Pratt Road, DeWitt 48820 is interested in being appointed to the Community Corrections Advisory Board.

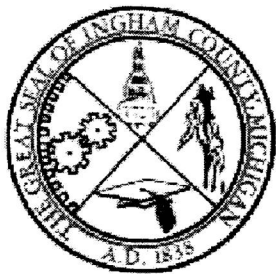
THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners appoint Danielle Grubaugh to serve on the Community Corrections Advisory Board as the workforce development representative to a term expiring September 17, 2025.

BE IT FURTHER RESOLVED, that the Board hereby waives the residency requirement for Danielle Grubaugh.

BE IT FURTHER RESOLVED, that the County Clerk forward a copy of this resolution to the City of Lansing for consideration of this joint appointment.

BE IT FURTHER RESOLVED, that the City of Lansing is requested to review and confirm the above appointment as soon as possible.

LAW & COURTS: Yeas: Slaughter, Polsdofer, Celentino, Trubac, Cahill, Schafer, Maiville
Nays: None **Absent:** None **Approved 10/13/2022**



APPLICATION FOR APPOINTMENT

APPLICANTS MUST BE RESIDENTS OF INGHAM COUNTY

Submit completed application to:

Ingham County Board of Commissioners, P.O. Box 319, Mason, MI
48854 or fax to (517) 676-7264 or email to bbennett@ingham.org.

Application for Appointment to: Community Corrections Advisory Board

Name: Danielle Grubaugh

Address: 1700 E. Pratt Rd. City: Dewitt Zip: 48820

Home/Cell Ph: 5172149561 Email: dlayne@camw.net Work Ph: 5174925597

Occupation: Director of Community Services Employer: Peckham Inc.

Business Address: 2110 S. Cedar Street City: Lansing Zip: 48910

Length of Residence in Ingham County: _____

Education:

Bachelors of Arts: Social Relations and Policy, Michigan State University, East Lansing, Michigan

Relevant Organizations/Affiliations:

Relevant Employment/Volunteer Experience:

Junior League of Lansing (Member); Leisure Board, Lansing Parks and Recreation (Member); Peckham Helping Hands Aktion Club (Staff Advisor)

APPLICATION FOR APPOINTMENT

Military Service (for Veterans Affairs Committee Applicants):
N/A

Brief statement as to interest in serving on this board/commission:
In my workforce development duties, I encounter individuals of diverse background and unique barriers. Many enter our programming with criminal backgrounds--which limits their opportunities for growth and upward mobility to achieve self-sufficiency. Participating in this kind of board opportunity will allow me greater resources and networks to provide support to our clients.

Do you have any experience/issues with this board/commission or related department? If so, please explain:
No.

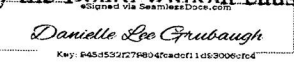
APPLICATIONS WILL BE VOID AFTER EXPIRED TERM VACANCIES ARE FILLED UNLESS STATEMENT BELOW IS SIGNED.

If not appointed, I wish my application to be kept on file for five months after expired term vacancies are filled and I understand after that time a new application may be necessary.

Signature: 
signed via SeamlessDocu.com
Key: 945d532f279804fcadef11d93006cfc4

04/08/2022

The applicant acknowledges that he or she serves at the pleasure of the Board of Commissioners and can be removed by the Board without cause unless a particular term is established by federal or state statute.

Signature: 
signed via SeamlessDocu.com
Key: 945d532f279804fcadef11d93006cfc4

04/08/2022

If selected for a position on the Ingham County Fair Board, I hereby give my permission for Ingham County to conduct a criminal background check on me.

Signature: 
signed via SeamlessDocu.com
Key: 945d532f279804fcadef11d93006cfc4

04/08/2022

INGHAM COUNTY IS AN EQUAL OPPORTUNITY EMPLOYER

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Ingham County Board of Commissioners made the appointment of Danielle Grubaugh as the Workforce Development Member to the Ingham County/City of Lansing Community Corrections Advisory Board for a term to expire September 17, 2025;

WHEREAS, the Committee of the Whole met on February 27, 2023 and took affirmative action.

NOW THEREFORE BE IT RESOLVED, that the Lansing City Council hereby affirms the appointment of Danielle Grubaugh as the Workforce Development Member to the Ingham Council/City of Lansing Community Corrections Advisory Board for a term to expire September 17, 2025.

**Department of Economic
Development and Planning**
Brian McGrain, Director



Development Office
316 N. Capitol Avenue, Suite D-1
Lansing, Michigan 48933
PH: 517.483.4040 – FAX: 517.483.6036
www.lansingmi.gov/development

MEMORANDUM

TO: Mayor Schor
FROM: Barb Kimmel
DATE: January 19, 2023
SUBJECT: CDBG Action Plan Amendment FY20 and FY21

Please find the attached Draft Resolution to set a Public Hearing, Draft Resolution to amend the City of Lansing's HUD FY20 and FY21 Action Plan, and Summary of Amendment to the FY20 and FY21 Annual Action Plans..

The City will reallocate \$815,324 in unspent CDBG funds to Rental Rehab for Walter French, and also reallocate \$891,236.89 unspent funds to Public Facilities for the development of non-congregate shelter.

The process to reallocate these funds includes a public notice and a required 30 day public comment period.

ED & P RECOMMENDS THAT YOU FORWARD THE ATTACHED DOCUMENTS TO THE CITY COUNCIL.

**Summary of Amendment to the City of Lansing's
FY2020 (7/1/20-6/30/21) Annual Action Plan
and
FY21 (7/1/21-6/30/22) Annual Action Plan**

The COVID-19 pandemic has contributed to an affordable housing crisis. The effects of this crisis include a dramatic increase in the number of households facing eviction, and an increase in the number of households that have been evicted and will be evicted from their homes.

In response to this situation, the City plans to amend its FY20 and FY21 Annual Action Plans to include the reallocation of Community Development Block Grant (CDBG) funds to an existing activity as well as add a new activity to address meeting this need. Specifically, the city wishes to prioritize the increase of the number of shelter beds by reprogramming unspent CDBG funds to provide funding to develop non-congregate shelter facilities in Lansing, and to prioritize increasing the number of safe, healthy affordable housing units in Lansing.

These proposed changes constitute a substantial amendment for the following reasons:

- The city wishes to add a new eligible activity that is not consistent with the approved goals and objectives in the Annual Action Plans
- The city proposes to make a substantial change in the use of its CDBG funds of an existing activity, Rental Assistance, of more than 15%

More specifically, the substantial amendment includes the following:

- **FY2020**
The city will reprogram \$540,958.69 of unspent CDBG funds to rental rehabilitation, an existing and eligible activity to fill a funding gap in the development of 76 affordable housing units at Water French School, 1900 S. Cedar, Lansing, MI, of which 19 will be reserved for permanent supportive housing for the homeless of the highest need in the area.

- **FY2021**
The city will reprogram \$274,356.21 of unspent CDBG funds to rental rehabilitation for the Walter French project (identified above). Note: The total reprogrammed dollars for this project is \$815,314.90 (FY20 and FY21)

The city will reprogram \$891,236.89 of unspent CDBG dollars to fund a new eligible activity, Public Facilities. The purpose of this new activity is to accomplish the expansion of non-congregate shelter facilities to serve

the unhoused population more safely in Lansing. These non-congregate shelter facilities will increase the number of shelter beds to alleviate current capacity issues, as well as to provide protection from COVID-19 by providing separate sleeping facilities and bathroom facilities.

The City will follow its Citizen Participation process in terms of developing the substantial amendment which requires a 30-day comment period.

The comment period for the substantial amendment will commence at 8:00 am on February 8th, 2023 until March 13, 2023.

A public hearing will be held before the Lansing City Council on Monday, March 13, 2023 at 7:00 p.m., Lansing City Hall, 10th Floor, 124 W. Michigan Ave., Lansing, MI

A copy of the substantial amendment will be posted on the City of Lansing's Development Office website at www.lansingmi.gov/development

The proposed substantial amendment and a summary of the comments received will be submitted to the Department of Housing and Urban Development (HUD) no later than March 17th, 2023.

For further information regarding this notice or if you have comments, please contact Doris Witherspoon, Senior Planner, City of Lansing, Michigan, Department of Economic Development and Planning, 316 N. Capitol Avenue, Suite D-1, Lansing MI 48933-1236. Doris.witherspoon@lansingmi.gov or (517) 483-6063.

**NOTICE
OF
SUBSTANTIAL AMENDMENT
TO THE
CITY OF LANSING FY2020 ACTION PLAN 7/1/2020 – 6/30/2021
And
CITY OF LANSING FY2021 ACTION PLAN 7/1/2021 – 6/30/2022
for
COMMUNITY DEVELOPMENT BLOCK GRANT**

The City of Lansing is preparing a substantial amendment to its FY2020 and FY2021 Action Plans for Community Development Block Grant (CDBG) activities and will hold a Public Hearing before the Lansing City Council, 124 W. Michigan Ave, 10th floor, 7:00 p.m. on February 27, 2023 to gather input on these proposed changes to the plans.

To provide some background information, the COVID-19 pandemic has contributed to an affordable housing crisis. The effects of this crisis include a dramatic increase in the number of households facing eviction, and an increase in the number of households that have been evicted and will be evicted from their homes. In response to this situation, the City plans to amend its FY20 and FY21 Annual Action Plans to include the reallocation of Community Development Block Grant (CDBG) funds to an existing activity as well as add a new activity to address meeting this need. Specifically, the city wishes to prioritize the increase of the number of shelter beds by reprogramming unspent CDBG funds to provide funding to develop non-congregate shelter facilities in Lansing, and to prioritize increasing the number of safe, healthy affordable housing units in Lansing.

Since the City of Lansing wishes to add a new activity, Public Facilities in the amount of \$891,236.89 of unspent CDBG funds to its FY2021 Action Plan which was not in the approved Action Plan and also making a substantial change in the use of its CDBG funds in FY2020 of more than 15%, in Homeowner Housing Rehabilitation and Rental Housing, these actions constitute a substantial amendment. More specifically, these funds will be used as follows:

CITY OF LANSING FY2020 ACTION PLAN 7/1/2020 – 6/30/2021

The city will reprogram \$540,958.69 of unspent CDBG funds to rental rehabilitation, an existing and eligible activity to fill a funding gap in the development of 76 affordable housing units at Water French School, 1900 S. Cedar, Lansing, MI, of which 19 will be reserved for permanent supportive housing for the homeless of the highest need in the area.

CITY OF LANSING FY2021 ACTION PLAN 7/1/2021 – 6/30/2022

The city will reprogram \$274,356.31 of unspent CDBG funds to rental rehabilitation for the Walter French project (identified above). Note: The total reprogrammed funds for this project is \$815,315.00 (FY20 and FY21)

The city will reprogram \$891,236.89 of unspent CDBG dollars to fund a new eligible activity, Public Facilities. The purpose of this new activity is to create non-congregate shelter facilities to serve the unhoused population more safely in Lansing. These non-congregate shelter facilities

will increase the number of shelter beds to alleviate current capacity issues, as well as to provide protection from COVID-19 by providing separate sleeping facilities and bathroom facilities.

The City of Lansing followed its Citizen Participation process in terms of developing the substantial amendment which requires a 30-day comment period.

A copy of the substantial amendment will be posted on the City of Lansing's Development Office website at www.lansingmi.gov/development

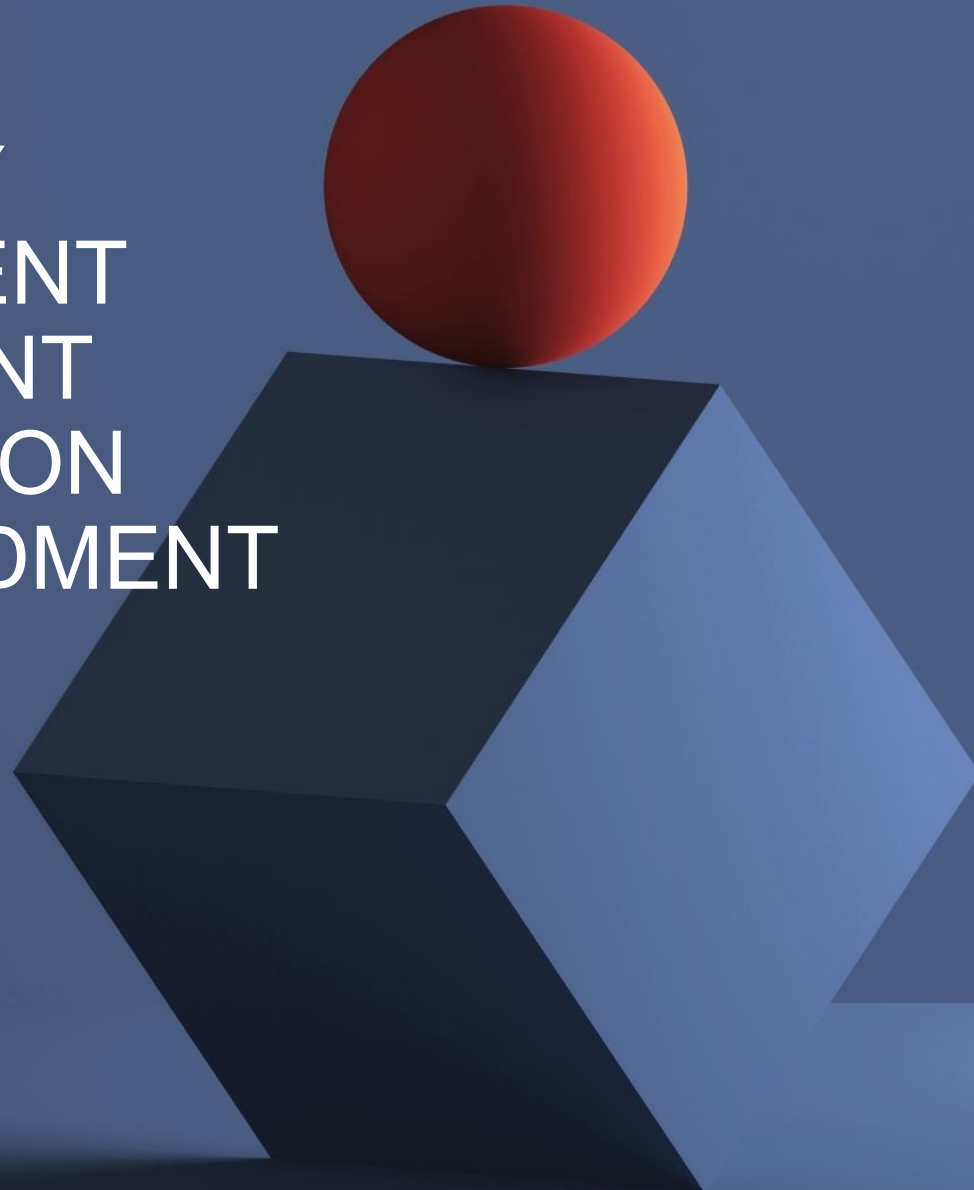
The comment period for the substantial amendment will commence at 8:00 a.m. on January 31, 2023 and expire at 5:00 p.m. March 3, 2023.

The proposed substantial amendment and a summary of the comments received will be submitted to the Department of Housing and Urban Development (HUD) no later than March 10, 2023.

For further information regarding this notice or if you have comments, please contact: Doris Witherspoon, Senior Planner, City of Lansing, Michigan, Department of Economic Development and Planning, 316 North Capitol, Suite D-1, Lansing Michigan 48933-1236. doris.witherspoon@lansingmi.gov or (517) 483-4063.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ACTION PLAN AMENDMENT

HUD FY 20 AND 21



WHY AMEND THE ACTION PLANS

- A Substantial Amendment to the City's Action Plan(s) is needed in order to make any substantial change in the use of CDBG, HOME and/or ESG funds. This information is published in Lansing's Citizen Participation Plan, which appears on the Development Office website. In this case we are proposing to use more than 15% of the entitlement amount approved to undertake one or more new activities utilizing CDBG funds.

WHAT IS THE PROCESS TO AMEND ACTION PLANS?

- Amendment of the Action Plans requires that Lansing complete a Substantial Amendment to the affected Action Plans, have a 30-day public comment period with a published public notice, and hold a public hearing.
- The Public Notice was published in the Lansing State Journal on January 30, 2023
- The notice referenced the 30-day public comment period which began on January 31 thru March 3, 2023. Comments should be submitted to Doris Witherspoon doris.Witherspoon@lansingmi.gov
- The Public Hearing is scheduled for Monday, February 27th, 2023.

OVERVIEW OF AMENDMENTS

- Lansing is amending the FY20 and FY21 Action Plans. We'll discuss these changes in depth, including the proposed uses of funds as well as the amounts of funding.
- Below is an overview of the reallocation amounts and purposes.

<u>Action Plan Year</u>	<u>Reallocation Amount</u>	<u>Purpose</u>
HUD PY20	\$540,958.69	Rental Rehab-Walter French
HUD PY21	\$1,165,593.20	Includes \$274,356.31 for Walter French and \$891,236.89 for Public Facilities
Total Reallocation:	<u>\$1,706,551.89</u>	Total of \$815,315,00 for Walter French and \$891,236.89 for Public Facilities (Non-Congregate Shelter)

WHERE DID THESE FUNDS COME FROM? WHY WEREN'T THEY SPENT AS PLANNED?

- Some of the funds were committed to a Walter French, but that commitment was not reflected in the FY 20 and FY21 Action Plans.
- Some of the funds did not get utilized for the original purpose, which is Housing Rehabilitation and program delivery. This was mostly due to COVID-19 and it was compounded by a severe and ongoing shortage of contractors. This unfortunate circumstance is affecting the entire nation.
- Note that we draw old funds first, so be assured that we certainly spent money during FY20 and FY21, but FY20 and FY21 is where HUD shows the funding.
- The Development Office has invested lots of time and energy attempting to recruit good contractors for the programs over the last several years. These efforts are ongoing.

TIMELINESS

- Due to CDBG *Timeliness of Expenditure Requirement* Lansing cannot just hold these funds until we can build up a pool of contractors and accomplish the housing rehabilitation activities.
- Timeliness states that grantees who maintain an undisbursed balance of funds that exceeds 1.5 times their most recent entitlement grant are considered non-compliant with that standard.
- If these funds are not reallocated and spent, Lansing runs the risk of having the funds recaptured, as well as the threat of reduction of future CDBG allocations.

WALTER FRENCH PROJECT FACTS

- The Walter French project will create 76 rental units for residents with incomes at or below 60% of AMI. This includes 39 Permanent Supportive Housing units
- The Development Office has provided CAHP with several conditional commitments of CDBG for the creation of the residential units at Walter French. These commitments continued to increase as construction costs have increased throughout the COVID-19 pandemic. The current commitment to Walter French is \$1M, or \$13,157.89 per unit.
- The Walter French Project is considered by HUD as “Rental Rehabilitation” an eligible activity.
- The project has finally received it’s LIHTC reservation.
- The Development Office has CDBG Funds for this project.

WHY DO WE NEED TO AMEND THE ACTION PLAN TO PROVIDE THE CDBG FUNDS FOR WALTER FRENCH?

- In order to utilize the committed funds for Walter French, the funds need to appear in an Action Plan under that activity. The funds for Walter French, though conditionally committed by the Development Office, did not get assigned to “Rental Rehabilitation” in the Action Plan, but were instead assigned to Housing Rehabilitation. Only \$184,685 of funds were committed to Rental Rehab for Walter French in our Action Plans, and that is in this current fiscal year.
- Moving the committed balance of \$815, 315 to “Rental Rehab” for Walter French requires that Lansing complete a Substantial Amendment to affected Action Plans, have a 30-day public comment period with a published public notice, and hold a public hearing.

WHAT IS THIS OTHER ACTIVITY-PUBLIC FACILITIES FOR NON-CONGREGATE SHELTER?

- Non-Congregate Shelter is homeless shelter space that has separate sleeping areas with private bathroom facilities either for individuals or families but has common living space. It became the standard for shelter development during COVID-19 as it provides additional protections to shelter occupants who are sick. It also provides privacy and preserves dignity to those who require these services.
- Lansing's HOME ARP Allocation Plan set aside \$500,000 of HOME ARP funding for the acquisition and development of non-congregate Shelter. This reallocation will provide an additional \$819,236.89 for a total of \$1,319,236.89, enough to make a real difference in the amount and quality of available shelter space for the Homeless and other qualifying populations.

WHAT ABOUT FUNDING MORE PUBLIC SERVICE ACTIVITIES?

- CDBG utilized for Public Services are capped at 15% of the annual allocation. We've already committed and spent funds that met the 15% Public Service Cap. CDBG funds are used to fund the following Public Service Activities:
- Neighborhood Cleanups in CDBG eligible areas of the City
- Kids Camp and the mobile Kids Camp
- HERO Program-Free Home Repair and Maintenance Classes, Tuesday Toolmen Program and the Mobile Tool Bank.

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- These activities are allowable, and they are consistent with the community needs in previous action plans as well as the current Consolidated Plan and Action Plan.
 - Time for Questions:

Resolution #2023-###

By the Committee of the Whole
Resolved by the City Council of the City of Lansing

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Lansing submit a substantial amendment to its FY20 Annual Action Plan (July 1, 2020 to June 30, 2021) and its FY21 Annual Action Plan (July 1, 2021 to June 30, 2022) when it intends to undertake a new activity and a substantial increase of 15% to an existing activity that is not included in the approved plan; and

WHEREAS, the City of Lansing wishes to address the unmet need of affordable housing and prioritize the need for the for the creation of non-congregate shelter; and

WHEREAS, these proposed changes constitute a substantial amendment because a new eligible activity is being added that is not consistent with the approved goals and objectives in the Annual Action Plans and there will be a substantial change in the use of its CDBG funds of an existing activity, Rental Assistance, of more than 15%

WHEREAS, the City of Lansing desires to reprogram \$540,958.69 of unspent Community Development Block Grant (CDBG) funds from FY20 and \$274,365.31 of unspent CDBG funds from FY21 to fill a funding gap for an eligible activity, Rental Rehabilitation for the Walter French project which includes 76 units of affordable housing, of which 19 units will be reserved for permanent supportive housing (PSH) for homeless persons of the highest need in the area; and

WHEREAS the City of Lansing desires to reprogram \$891,236.89 of unspent CDBG funds from FY21 to fund the eligible activity of Public Facilities to develop non-congregate shelter for the homeless; and

WHEREAS, pursuant to program requirements, the City has published a notice of the proposed change to its FY20 Annual Action Plan and FY21 Annual Action Plan in the Lansing State Journal on January 30, 2023 and posted a copy of the proposed amendment on its website; and

WHEREAS, a public hearing was held by the Lansing City Council on February 27, 2023 to again receive citizen comments and recommendations and to give final review to the proposed amendments to the CSPA; and

WHEREAS, Federal regulations require the City to make certain certifications and assurances to HUD regarding the use of CDBG funds;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lansing adopts the amendment to its FY2020 Annual Action Plans and FY2021 Annual Action Plan to include the development of non-congregate shelter and affordable housing as part of its housing and community development goals, objectives and strategies for as proposed by the Committee on Development and Planning; and

BE IT FURTHER RESOLVED that the Mayor, as the City's Chief Executive Officer, is hereby authorized to sign the amendment to the FY 20 and FY21 Action Plans, including all understandings, assurances and certifications contained therein, and to submit the amendment to HUD; and

BE IT FINALLY RESOLVED that the Mayor is authorized, as the official representative of the City of Lansing, to provide any and all information, to act in connection with the amendment to the FY20 and FY21 Action Plan amendment and to execute all agreements, contracts and legal documents to implement the FY20 and FY21 Action Plan amendments.