



Date: September 4th 12:00 PM

Location: City Hall Commission Chambers

Members:	Virginia Beard	Christopher Romero	Tabitha Williams
	Eric Brown	Monica Steimle-App	
	Daniel Drent	Jim Talen	
	Cassandra Oracz	Mark Washington	
	Lindsey Reames		

- I. Call to Order
- II. Roll Call
- III. Approval of August 7th Meeting Minutes
- IV. Action Items
 - a. Resolution Allocating Funds for Community Development’s Fiscal Year 2026 Neighborhood Investment Plan Funding Process – *Memo attached*
 - b. Appointment of Sub-committee members – *Memo attached*
 - c. Approval of Affordable Housing Fund Board Meeting Calendar 2024 – *Memo attached*
- V. Discussion Items
 - a. Preview of proposed 2025 Board Meeting Calendar
 - b. Update on RFP #1 funding round – *report attached; no discussion anticipated*
- VI. Public Comment

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City of Grand Rapids
Affordable Housing Fund Board Meeting Agenda
Wednesday, August 7, 2024, Noon-2:00 pm
City Hall, 300 Monroe Ave NW, 49503, Commission Chambers

- I. Call to Order by Chair Talen at 12:08 pm [note: no quorum at the time meeting began]
 - a. Assistant City Attorney O'Connor informed the room that subject to open meeting laws through the Open Meeting Act that we do not have a quorum and would be unable to deliver a decision on public policy and would need to bring back any discussion, so we don't violate the statute. Caution was stressed in how discussions are conducted in the absence of a quorum to avoid any legal violations. Reached quorum at 12:23 pm.
- II. Roll Call – Absent Members: Romero, Washington, and Williams [after quorum established]
- III. Approval of Minutes
 - a. After quorum was reached, the minutes from May 1st were discussed, a motion is made for the approval of the minutes by Beard. The motion is seconded, and the minutes are approved.
- IV. Action Items
 - a. Board Priorities and Fund Development presented by Ryan Kilpatrick and Deputy City Manager Kate Berens. Introduced discussion on how to reflect the work we are doing in the next several rounds of the board life cycle and how to grow the Affordable Housing Fund. Kilpatrick and Berens set out recommendations on how to approach future funding including to formally participate in Community Development funding cycle. Discussion followed to ensure that Community Development accurately incorporates the Affordable Housing Fund Board priorities.

There is approximately \$1.3 million available. The suggestion is to allocate 75% of the available fund balance (after reserving the minimum required \$250,000) to the Community Development process, which would total approximately \$787,500. This approach aims to streamline efforts, allowing the board to focus on specific priorities like affordable family units while leveraging existing community development processes. A resolution will be presented in September to formalize this approach.

Berens and Kilpatrick introduced the second recommendation to explore options to grow the affordable housing fund, including potential contributions from City property sales and community initiatives. The formation of an ad hoc subcommittee to work with staff and potential fund contributors that would report back to the board quarterly or another established timeframe.

The third recommendation is to establish another ad hoc subcommittee to explore creative housing initiatives that are not covered by the larger Community Development process, such as emerging development programs and innovative housing solutions. The subcommittee will develop and bring forward recommendations as opportunities arise.

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The board generally agreed with the recommendations and the proposed direction for future actions. Board member Steimle-App asked for clarification around the percentage of the fund to be allocated to the Community Development process, ensuring flexibility for future innovative projects. Oracz likes the one application as it is simpler and eliminated the conflict of interest. Brown asked for clarity on the amount being noted and if the 75% was the retaining fund requirement. Chair Talen added that \$100,000+ a year continued growth of the funds, so the \$250,000 will change over time. Berens responded that 75% of available fund balance is to go to the next cycle in Community Development then if successful the board would review the following year. The remaining 25% would give board funding to test out ideas that arise and come through the ad hoc committees. Assigning the 75% to Community Development with the flexibility to braid the funding sources together. A resolution will be on the September agenda authorizing this action.

- b. The Board turned to discussing the recommendations for appointing subcommittees around other Board priorities. Brown moved and Steimle-App supports the direction to move forward with the recommendation to appoint an ad-hoc subcommittee to vet opportunities to partner with existing organizations or to support City initiatives relating to other Affordable Housing Fund Board priorities. Berens mentions that the recommended ad-hoc subcommittees would be available to City Staff as a sounding board so they can bring up any upcoming opportunities. Brown interjected that there should be lived experience and the community's voice to be included in subcommittees. Reames mentioned the ability to change ad hoc members based on projects and the consideration of involving external experts in the ad hoc subcommittees to provide technical advice and ensure diverse perspectives. None Opposed and the Motion carried.
- c. Additional revenues Subcommittee was moved by Beard and supported by Steimle-App. None opposed and motion carried.

Chair Talen reminded the board that we will need to look for volunteers to set up the subcommittees with follow up via email to confirm membership. Berens let the board know the calendar will be updated for the September meeting and that the City can help coordinate schedules. Ad hoc subcommittees will convene, potentially aligning their meetings with scheduled board meetings for efficiency.

- V. Discussion Items
 - a. RFP #1 funding Round Status Report was shared. Reames appreciates the City Collaboration considering market condition to extend deadlines.
- VI. Public Comment – None
- VII. Adjournment by Chair Jim Talen at 1:09 pm

MEMORANDUM

CITY OF GRAND RAPIDS

Date: August 30, 2024

To: Affordable Housing Fund Board

From: Mary Kate Berens, Deputy City Manager

Subject: **Grand Rapids Affordable Housing Fund – Resolution Approving Funds for Consideration in Community Development FY 2026 Neighborhood Investment Plan Funding Process**

At its meeting on August 7, 2024 the Board considered its prior planning and prioritization work, and established a three-prong approach to pursuing those priorities:

Priority	Strategy	Timing
Build Affordable Units at Scale	Make funds available for distribution through Community Development annual funding process	September '24 – May '25
Support Emerging Developers/Seek Creative Solutions	Appoint Ad-hoc subcommittee to provide feedback and vet emerging opportunities and programs for further Board discussion	<ul style="list-style-type: none"> • Confirm members 9/24 • Meet quarterly, as needed
Grow the Fund	Appoint Ad-hoc subcommittee to explore potential partners in the Fund	<ul style="list-style-type: none"> • Confirm members 9/24 • Meet quarterly, as needed

The remainder of this memorandum describes in more detail the action requested today to support the Build Affordable Units at Scale strategy.

The Affordable Housing Fund is held by the Grand Rapids Community Foundation (GRCF). The terms of the agreement with the GRCF require that a minimum balance of \$250,000 is maintained in the account at all times. The City adds to the fund periodically through voluntary contributions made through the City's payment in-lieu of taxes (PILOT) program. Consistent with the board's discussion, the attached Resolution 24-01 directs that 75 percent of the available balance, after the required minimum is deducted, as of December 31, 2024 be considered for grant awards as part of the Community Development Fiscal Year 2026 Neighborhood Investment Plan Funding Process.

Consolidation of the Board's funds with the other funds allocated through this process represents an efficient way for distribution of available funds. The City of Grand Rapids Community Development Department already manages an annual process in which it recommends allocations of federal CDBG and HOME funds to support a significant number of affordable housing units. The department also facilitates consideration for the City's tax exemption and PILOT program. Staff review developer applications and recommend approval by the City Commission for affordable housing projects and those seeking Low-Income Housing Tax Credits. The department has expert staff who are highly capable of considering all possible available resources and coordinating funding sources to maximize their benefit across as many traditional affordable housing developments as possible.

Additionally, the department currently is administering nearly \$5 million of project investment previously awarded through the Board's first-ever RFP process concluded in the spring of 2023. As part of the debrief of that first RFP process, it was noted that there was significant overlap between projects funded through the Board's RFP #1 and the Community Development process, requiring back-end coordination to ensure the best mix of funds for each project. Adoption of the attached Resolution 24-01 will meet multiple Board objectives.

Key process milestones (dates approximate):

- Potential Applicant outreach Fall/Winter 2024
- Notice of Intent to Apply process January 2025
- RFP Responses due February 2025
- AHFB review and feedback February – March 2025
- Public review period March-April 2025
- Final action on awards April-May 2025

Final award of Affordable Housing Fund dollars to specific projects will require subsequent confirmation by the Board.

Adoption of the attached resolution requires a motion to approve Resolution 24-01.

Resolution 24-01

RESOLUTION OF THE AFFORDABLE HOUSING FUND BOARD

GRAND RAPIDS, MICHIGAN

WHEREAS, the City of Grand Rapids has established the Affordable Housing Fund, managed by the Grand Rapids Community Foundation; and

WHEREAS, the Affordable Housing Fund Board (Board) is duly constituted and charged with, among other duties, recommending investments designed to make housing more accessible to lower and moderate-income residents of the City; and

WHEREAS, the Board has a priority to use funds to assist in the production of affordable housing within the city of Grand Rapids at scale in an efficient way for project proponents; and

WHEREAS, the Board has received information about the Community Development Neighborhood Investment Plan Funding Process and finds that process to be an efficient and effective way to maximize funding for affordable housing projects;

NOW, THEREFORE, be it resolved that the Grand Rapids Affordable Housing Fund Board directs:

1. Funds in the amount calculated in Section 2 below shall be considered for grant awards to projects providing affordable housing units consistent with Grand Rapids City Commission Policy 900-62, using the application, review, and recommendation process managed by the Community Development Department for its Fiscal Year 2026 Neighborhood Investment Plan.
2. The funds to be used as outlined in Section 1 shall be calculated using the following formula, applied to the total amount of funds available as of December 31, 2024 in the Affordable Housing Fund:

$$\text{Section 1 Funds} = 0.75(\text{Fund balance} - \$250,000).$$

Jim Talen, Chair, Affordable Housing Fund Board

Correct in Form:

City Attorney

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MEMORANDUM

CITY OF GRAND RAPIDS

Date: August 30, 2024

To: Affordable Housing Fund Board

From: Mary Kate Berens, Deputy City Manager

Subject: **Grand Rapids Affordable Housing Fund – Ad-hoc Subcommittee Members**

At its meeting on August 7, 2024 the Board considered its prior planning and prioritization work, and established a three-prong approach to pursuing those priorities:

Priority	Strategy	Timing
Build Affordable Units at Scale	Make funds available for distribution through Community Development annual funding process	September '24 – May '25
Support Emerging Developers/Seek Creative Solutions	Appoint Ad-hoc committee to provide feedback and vet emerging opportunities and programs for further Board discussion	<ul style="list-style-type: none"> • Confirm members 9/2024 • Meet quarterly, as needed
Grow the Fund	Appoint Ad-hoc committee to explore potential partners in the Fund	<ul style="list-style-type: none"> • Confirm members 9/2024 • Meet quarterly, as needed

The remainder of this memorandum addresses the two committees created by Board motion at the August 7 meeting.

According to Article III.B of the Bylaws, the Chair of the Board is authorized to appoint committees and may act as an ex-officio member of all committees. Staff recommends that the Board call for final volunteers for each Ad-hoc committee, and then seek Board concurrence on proposed membership. 3 to 5 members of each committee should suffice. Additional details of the focus of each committee is below:

Emerging Opportunities Committee

The Board has expressed interest in supporting non-traditional housing opportunities like Accessory Dwelling Units for low- and moderate-income homeowners and households, and support for emerging developers interested in building housing that is affordable to households earning at or below 80% of the area median income. Given the lack of administrative support infrastructure associated with these types of investments, the Board should consider exploring partnerships with organizations that are capable of dedicating the necessary staff capacity to these types of efforts. These may be a community development nonprofit, another agency supported by the City (like the Brownfield Authority), or a department with dedicated staff time for the effort. Additional opportunities to partner on innovative programs are continuing to emerge, and as opportunities materialize the Board has the flexibility to use funds to support those kinds of programs.

This committee would work with staff to identify emerging opportunities. This may include inviting technical experts or specific stakeholders to provide input or advice on where Board financial support would be most meaningful. This Board is anticipated to meet not more than quarterly, and would elevate discussion items to the Board for consideration when it judges any particular opportunity ripe for discussion and decision.

Fund Growth Committee

The City of Grand Rapids needs more than 4,000 additional housing units for *renters* earning at or below 80% AMI and nearly 2,000 additional homes for *homebuyers* earning less than 80% AMI. At best, to solve for just 10% of the additional affordable homes needed, the City would need to leverage at least \$2,400,000 per year, every year, for ten years if paired with additional subsidies. The Board concurred that it would create a Committee charged with exploring alternative options for generating revenue to support the fund over the long-term. Again, this work may involve inviting technical experts to advise on Fund structures and features that may make it an attractive vehicle for those looking to support shared objectives. This committee is anticipated to meet not more than quarterly and would report out on its efforts at least annually.

MEMORANDUM

CITY OF GRAND RAPIDS

Date: August 30, 2024

To: Affordable Housing Fund Board

From: Mary Kate Berens, Deputy City Manager

Subject: **Grand Rapids Affordable Housing Fund – Revised 2024 Meeting Calendar; DRAFT 2025 Calendar**

As a result of the work and direction established at the August 7 Board meeting, revisions to the current Board calendar are recommended for efficient use of Board members’ time. Below is the proposed revised meeting calendar for the remainder of 2024.

Date	Action	Notes
October 2, 2024	Cancel	Could be used for first Committee meetings, based on member availability
November 6, 2024	Cancel	Alternate date for first Committee meetings, based on member availability
December 4, 2024	Confirm	Required action: <ul style="list-style-type: none"> • Elect Chair & Vice Chair • Adopt 2025 calendar

In order to modify the current adopted schedule, a motion to amend the Affordable Housing Fund Board calendar consistent with the above table is required.

Also attached is a draft 2025 calendar. This calendar assumes the first Wednesday of the month rhythm, but reflects a quarterly pace, with adaptations made early in the year to match the Community Development funding process. Final dates supporting that process are still too soon to solidify. If there is any feedback on the attached, let us know for consideration in the final calendar we will bring forward for action in December.

**DRAFT 2025 Affordable Housing Fund Board
Meeting Calendar**

Meeting Date	Anticipated Topics*	Notes
February 5, 2025	Update on Community Development funding process	May be too early in the month to match process; alternative, later date may be needed
March 5, 2025	Feedback on funding proposals	Alternative date may be needed to better match process
April 2, 2025	Final feedback on funding proposals	Alternative date may be needed to better match process
June 4, 2025	<ul style="list-style-type: none"> • Update on funding outcomes • Committee reports • Review of available balance and options to use funds 	2 nd Quarter meeting
September 3, 2025	<ul style="list-style-type: none"> • Committee reports • Direction on any funding for Community Development FY 2027 process 	3 rd Quarter meeting
December 3, 2025	<ul style="list-style-type: none"> • Elect Chair/Vice Chair • Adopt 2026 Calendar • Committee reports • Annual review of progress 	4 th Quarter meeting

*Not exhaustive; Chair and staff will finalize agenda for meetings as appropriate

Note that Committee meetings are not open public meetings, as they are less than a quorum of the Board and are not authorized to make decisions, nor to set policy or otherwise undertake action. Calendars for those Committees are not required to be adopted in advance and will be set to accommodate the work needed and member availability.

Community Development Department
Affordable Housing Fund (ARPA) Project Status Report – Projects in Pre-Development

Organization/Project/Award	Guidehouse ARPA Eligibility Review	Pre-Agreement Certification	Pre-Development Agreement & Acquisition Prerequisites	Environmental Review & Release of Funds (as required for non-ARPA funding)	Contract Status
Amplify GR <i>Boston Square Together II (F2)</i> \$540,000	PIF complete	Complete	Complete	Complete	<ul style="list-style-type: none"> ▪ Development Agreement signing deadline extended to August 31, 2024. ▪ HUD Environmental Review completed, and release of funds received August 20, 2024. ▪ Development Agreement routed for signature on August 30, 2024.
New Development Corporation <i>SF Homeownership Construction/Rehab</i> \$240,000	PIF complete	Complete	Complete	N/A	<ul style="list-style-type: none"> ▪ Development Agreement for first of two properties signed March 13, 2024. Development Agreement for second property signed August 29, 2024. ▪ First property 50% complete and \$112,000 drawn to date.

**Community Development Department
Affordable Housing Fund (ARPA) Project Status Report – Projects in Implementation Stage**

Organization/Project	Award Amount	Period of Performance	Planned Outcomes	Status to Date	Funds Drawn to Date
Commonwealth Development Corporation of America <i>Lexington Apartments</i>	\$1,500,000	7/26/23 – 3/31/25	39 affordable rental units created for seniors	78% of construction completed	\$1,691,842
Dwelling Place of GR NHC <i>2080 Union Site Condos</i>	\$600,000	9/1/23 – 6/30/25	At least 6 households will receive purchase price subsidy to buy one of the 42 project units	59% of construction completed. Two properties sold with ARPA purchase price subsidies.	\$118,560
Genesis NHC <i>Leonard Apartments</i>	\$1,200,000	8/1/24 – 1/31/26	55 affordable rental units created for seniors	Construction anticipated to start in September	\$0
LINC Up NHC <i>Avenue II Apartments</i>	\$394,418	8/21/23 – 12/31/24	10 affordable rental units created for seniors (addition to existing 10-unit building)	Construction complete. Retainage will be released upon occupancy and project closeout.	\$364,418
61st District Court <i>Eviction Diversion Initiative</i>	\$220,663	10/1/23 – 9/30/24	60 households receive prevention financial assistance to avert homelessness	42 households have received financial assistance to prevent homelessness	\$171,271
AYA Youth Collective <i>Supportive Housing Services for Youth</i>	\$270,000	10/1/23 – 9/30/24	45 youth-led households exit to permanent housing	37 youth-led households exited to permanent housing	\$234,589