

AGENDA

EXECUTIVE COMMITTEE

Tuesday, October 15, 2024 – 4:00 p.m.

111 S. Michigan Ave., Rm. 200, Saginaw, MI 48602

Members: Christopher Boyd – Chairman, Gerald Little, Jack Tany, Michael Webster, Denny Harris
Others: Administrator, Civil Counsel, Finance Director, Personnel Director, Board Staff, *Media*

- I. Call to Order
- II. Welcome
- III. Correction/Approval of Minutes (*September 17, 2024 Minutes – Attached*)
- IV. Public Comment
 - *Speakers limited to 3 minutes*
- V. Agenda

(Referral from Budget/Audit Committee)

1. **Review of Proposals:** Covenant/Saginaw-Shiawassee Habitat for Humanity for housing (\$700,000) and Community Action Committee for housing rehabilitation projects (\$250,000), for a total of \$950,000 using American Rescue Plan Act (ARPA) funding (*Attached*)
2. Any other matters to come before the committee

- VI. Miscellaneous
- VII. Adjournment

MINUTES
EXECUTIVE COMMITTEE

DRAFT

Tuesday, September 17, 2024 – 4:00 p.m.
111 S. Michigan Ave., Rm. 200, Saginaw, MI 48602

Present: Christopher Boyd – Chairman, Gerald Little, Jack Tany, Michael Webster, Denny Harris
Others: Mary Catherine Hannah, Dave Gilbert, Koren Thurston, Kelly Suppes, Undersheriff Gomez, Darcie Totten, Richard Spitzer, Mark Piotrowski, Lisa Coney, Mary McLaughlin, Rachel Horton, Reneé Johnston, Bonny Kanicki, Linda Harper, Karen Angers, Raluca Chludil, Walter Ribble, Jane Collins, Sam Tany, Eugene Seals Jr., Suzy Koeplinger, Renee Sharkey, and Catherine Hicks

- I. Call to Order ---**Chairman Boyd at 4:02 p.m.**
- II. Welcome
- III. Correction/Approval of Minutes (**June 11, 2024 Minutes**)
---**Moved by Little, seconded by Harris, to approve. Motion carried.**
- IV. Public Comment
 - **Reneé Johnson, President and CEO of Saginaw Community Foundation, requested more County participation and would like to host conversations about projects.**
- V. Agenda
 1. **Rachel Horton, Director, Saginaw County Animal Care & Control, re:**
 - **9-17-13** Requested to increase its FY 2024 budget up to \$125,000 to cover shortfalls in various line items, including building insurance, grounds maintenance, spay/neuter services, and kennel staff using fund balance and donations, with no impact on the General Fund
---**Discussion was held; it was disclosed that, until now, donations have been reserved and accumulating steadily. The 2024 budget was completed before Director Horton accepted her position and before the building was in operation. Job descriptions for two veterinarian technicians, a secretary, and one veterinarian are in process. There have been recent complaints about Animal Care & Control staff. Tany pointed out that not all the calls commissioners receive about Animal Control are negative; many people have positive things to say.**
---**Moved by Tany, seconded by Harris, to approve. Motion carried.**
 2. **Undersheriff Miguel Gomez, re:**
 - **9-17-14*** Requesting to increase its FY 2024 Vehicle Fund by \$25,000 funded by user departments: Law Enforcement (\$21,250); General Fund (\$2,500); Selective Enforcement (\$750); and Emergency Management (\$500)
---**Chairman Boyd expressed the Board's and Finance Department's disapproval of the inaction taken by Undersheriff Gomez regarding not bringing this request to the Budget/Audit Committee but waiting until the day of the Board Meeting to make his request.**

***Undersheriff stated that the invoices received were unanticipated and he estimated the cost of outstanding bills before deciding on the present amount to request. Undersheriff disclosed that there are matters to resolve with staffing, and responded he could have contacted a commissioner to have an Initiatory Motion presented for approval at the Board meeting instead. Boyd urged him to get someone onboard who can oversee the budget.
---Moved by Tany, seconded by Little, to approve.***

3. **Chairman Boyd, re:**

- Board of Commissioners – facilities usage
---Administrator Hannah is developing a policy regarding how outside requests for use of county space will be granted. She discussed an application process, fee amount for use of the Board Room and that accommodations must be made, prior to use, for paying deputies overtime. She has the first draft done and it will be ready to review in October.
- Board of Commissioners – youth/student commissioners
---Discussion was held about the Youth Student Commissioners. Darren Bagley is the contact person from MSU Extension who will meet with Administrator Hannah. Additional information is expected shortly. This program is not anticipated to create a substantial burden on commissioners.

4. Any other matters to come before the committee ***---None***

VI. Miscellaneous – Discussion of BOC Holiday Gathering

---The Administrator suggested that county buildings close on December 13, 2024 to complete security training in the Heritage Theater at the Dow Event Center in the morning and have the Christmas party in the afternoon from 12:30 p.m. until 3:00 p.m. in the Red Room. The Dow is available that day. Closing for only one day would allow the county buildings to be more accessible. Commissioners indicated approval for this plan.

---Tany recommended authorizing employees to attend a Saginaw Spirit hockey game.

VII. Adjournment

---Moved by Tany, seconded by Harris, to adjourn. Motion carried; time being 4:48 p.m.

Respectfully Submitted,
Christopher Boyd, Committee Chair
Suzy Koeplinger, Committee Clerk



SAGINAW COUNTY ARPA HOUSING PROPOSAL

REQUEST

\$950,000

\$700,000 TO HABITAT FOR HUMANITY
\$250,000 TO SAGINAW COUNTY COMMUNITY
ACTION COUNCIL

OBJECTIVES

10-16 NEW HOMES
25 REPAIRED HOMES

PARTNERS



PROPOSAL

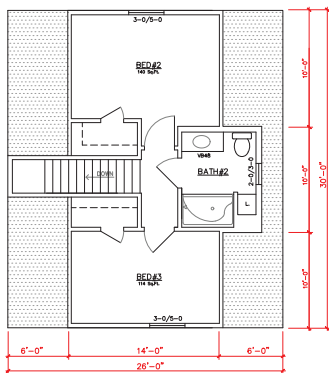
Saginaw-Shiawassee Habitat for Humanity (SSHFH) is applying for grant funding for the purposes of developing infill housing in Saginaw County. Funding will be used to leverage state funding through the Michigan State Housing Development Authority (MSHDA) MI Neighborhoods Program. MI Neighborhoods acts as a "Last Dollar" funding mechanism, requiring other funding to be secured for new housing projects before MSHDA will fund the proposal. By utilizing ARPA funds that the Saginaw County Commission previously allocated for housing, SSHFH can make up the current funding gap, leverage the County's investment, and complete the scope of work proposed to MSHDA. The funding will also be utilized to leverage funding from the Federal Home Loan Bank of Indianapolis (FHLBI).

This proposal requests \$700,000 from the County's ARPA Housing appropriation to SSHFH to complete the gap between the building costs and MI Neighborhoods application. This will leverage an additional investment by MSHDA for up to \$700,000 to support new housing in our county.

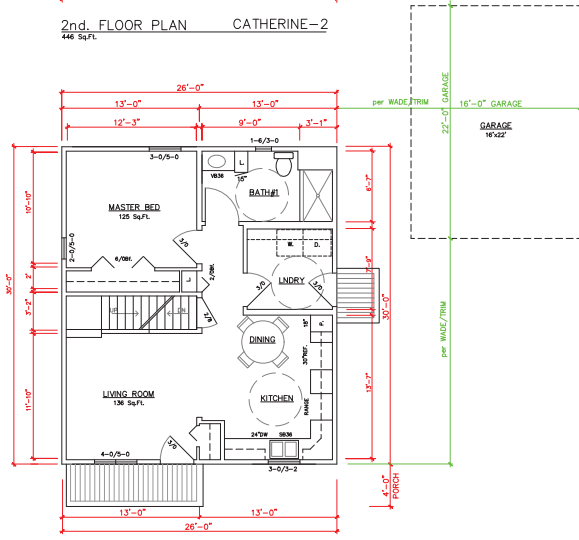
An additional \$250,000 requests will support the Saginaw County Community Action Center to perform critical structural and weatherization repairs throughout Saginaw County.

IMPACT

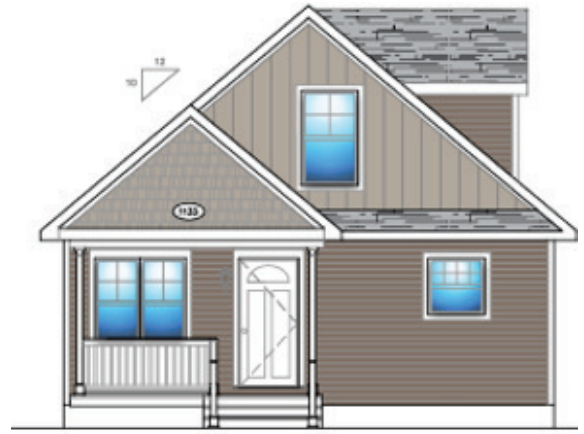
New homes constructed will be sold to households with incomes up to 120% of the area median income, with two units reserved for households under 60% of the area median household income. The homes are projected to add \$840,000 in tax revenues over 30 years.



2nd FLOOR PLAN CATHERINE-2
446 Sq.Ft.



1st FLOOR PLAN CATHERINE-2
780 Sq.Ft.(Vols) + 446 Sq.Ft.(2nd) = 1196 Sq.Ft. TOTAL. 1407 Fayette St.

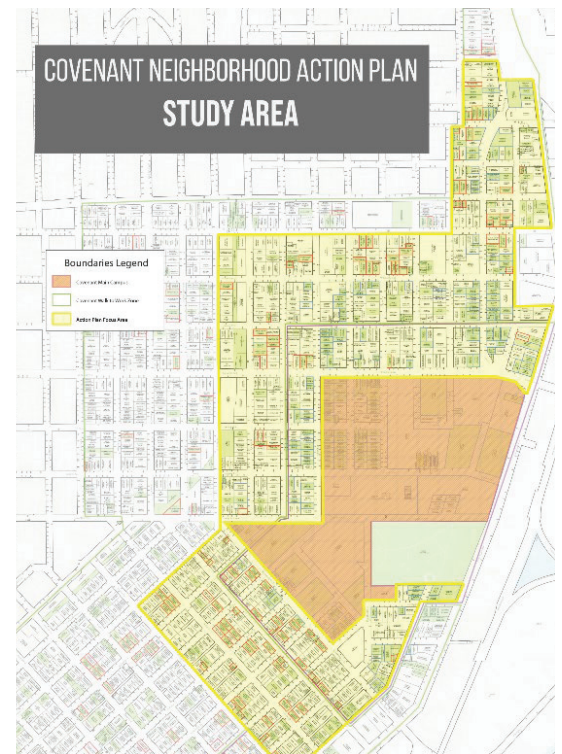


HOME LOCATIONS

In early 2023, Covenant commissioned a Neighborhood Action Plan to revitalize a dormant “Walk-to-Work” program to encourage employees to move near its main health campus. A key focus of the Action Plan was to identify opportunities to improve the physical condition of properties, add quality housing stock, and engage current residents in neighborhood revitalization. Covenant has also committed \$2.5 million over the next 5 years to contribute to neighborhood revitalization efforts, which will include incentives for Covenant employees to relocate to the neighborhood.

ARPA funding will be used to build between 7-10 homes in the Covenant Neighborhood. Additional funding from the State of Michigan will be used to secure construction phase financing for difficult to appraise projects and also be used strategically as gap funding certain projects. SSHFH has also applied for funding from the FHLBI, which would enable the construction of 16 homes total.

Habitat for Humanity is also working with Thomas Township to build a new home at 283 River Road. This will rebuild a new home in an area impacted by the 2020 flooding disaster, which damaged and destroyed several homes in the area.



PROJECT DETAILS

Due to pending applications already submitted by SSHFH, the total number of homes to be built through this initiative will range from 10-16 total homes. The total number depends on the award of a FHLBI grant, which will announce grant awards in November 2024. With or without that funding, we expect to leverage MSHDA MI Neighborhood Gap funding to support these projects. Two scenarios are presented below.

SCENARIO 1

The FHLBI grant is not secured.

Total Estimated Construction Cost

\$3,000,000

Total Gap Funding

\$1,700,000

- \$700,000 Saginaw County ARPA Funds
- \$1,000,000 MSHDA MI Neighborhood

Total Homes Constructed

10 (9 in City of Saginaw, 1 in Thomas Township)

SCENARIO 2

The FHLBI grant is secured.

Total Estimated Construction Cost

\$4,800,000

Total Gap Funding

\$2,765,000

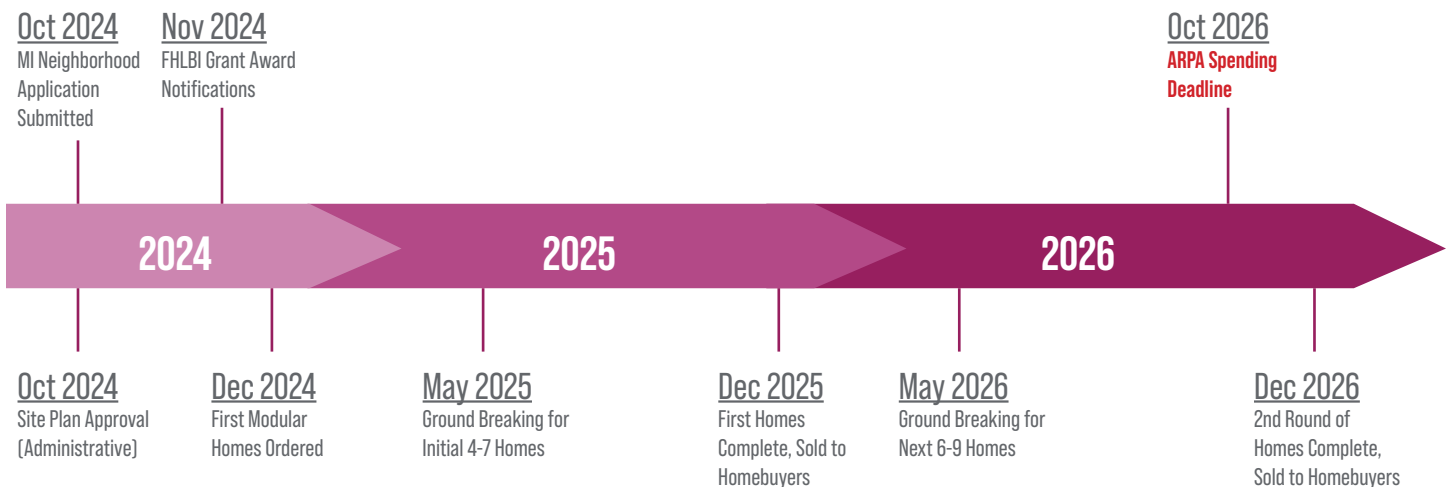
- \$900,000 FHLBI Grant
- \$565,000 Saginaw County ARPA Funds*
- \$1,300,000 MSHDA MI Neighborhood

Total Homes Constructed

16 (15 in City of Saginaw, 1 in Thomas Township)

**In this scenario, SSHFH would utilize excess ARPA funding to fund home repairs throughout Saginaw County, ensuring funding was spent prior to October 1, 2026.*

PROJECT SCHEDULE



FREQUENTLY ASKED QUESTIONS

WILL FUNDING BE SPENT BEFORE THE STATUTORY DEADLINE?

YES. We are very aware of the deadlines for ARPA spending. Both SSHFH and Saginaw County Community Action Center (CAC) have project pipelines ready to expend funding. Since the MSHDA MI Neighborhood program is a gap reimbursement grant, we will need to expend ARPA funding first. We anticipate spending all funding by October 1, 2026, if not sooner. CAC will be able to start expending funding as part of its housing repair program throughout Saginaw County immediately.

WHAT IS THE COST OF CONSTRUCTION FOR HOMES CURRENTLY?

Recent inflation has driven up construction costs, primarily due to rising prices for materials such as lumber, steel, and concrete, as well as increased labor costs. These increases have pushed the cost of even modest homes in excess of \$200 per square foot. 1,200 square foot homes currently under construction by SSHFH in our area are estimated to cost \$275,000.

WHAT TYPE OF HOMES WILL BE BUILT?

Homes will be approximately 1,200 square feet with 3-bedrooms and 2-bathrooms. The housing will be modular units, which will reduce construction time in the field. The controlled environment of modular housing manufacturing allows for greater efficiency in production, minimizing delays due to weather or other site-specific issues, which reduces overall construction time significantly compared to traditional methods. In terms of cost, modular housing is not cheaper, but is comparable to stick built housing. However, it does provide improved schedule performances. The factory setting allows for precise planning and material usage, which cuts down on waste and promotes sustainable building practices.

WHO CAN BUY THESE HOMES?

Homes constructed will feature income limits due to the funding anticipated from MSHDA and FHLBI. Homes funded using MSHDA MI Neighborhood funding must be sold to households under 120% of the area median-household income (AMI), with at least 20% of those units being sold to households under 60% of AMI. Homes funded by the FHLBI must be sold to households under 80% of AMI. These limits are well within the definition of affordable housing as defined in the American Rescue Plan Act SLFRF guidelines.

Saginaw County’s AMI figures across household sizes are shown below:

Saginaw County Income Limits for Homeownership									
Income Levels		1- PERSON HOUSEHOLD	2- PERSON HOUSEHOLD	3- PERSON HOUSEHOLD	4-PERSON HOUSEHOLD	5-PERSON HOUSEHOLD	6-PERSON HOUSEHOLD	7-PERSON HOUSEHOLD	8-PERSON HOUSEHOLD
Very low-	60%	\$33,480	\$38,220	\$43,020	\$47,760	\$51,600	\$55,440	\$59,280	\$63,060
Low-	80%	\$44,600	\$51,000	\$57,350	\$63,700	\$68,800	\$73,900	\$79,000	\$84,100
Middle-	120%	\$66,960	\$76,440	\$86,040	\$95,520	\$103,200	\$110,880	\$118,560	\$126,120

Homes funded by these sources must also be “kept in affordability” by limiting the resale value through the use of a lien on the home. The MI Neighborhood requires homes to be meet this standard for 5 years, while the FHLBI period is 15 years.

FREQUENTLY ASKED QUESTIONS

HOW WILL THE COUNTY'S ARPA FUNDS BE LEVERAGED?

The County's ARPA funding has the potential to leverage between \$625,000-\$1 million in federal and state funding to support new housing in Saginaw County. SSHFH is currently applying for two grant opportunities that will not be awarded unless other gap sources have already been secured. The County's ARPA funding will enable to meet available funding requirements for BOTH programs, which will issue awards in the next two months.

SSHFH is currently seeking a grant from the MSHDA MI Neighborhood Program, which provides up to \$100,000 in gap financing for affordable housing construction. We are anticipating that the County's ARPA will leverage between \$400,000 to \$1 million from this source, depending on the results of a separate grant described below.

In early 2024, SSHFH submitted an application to the Federal Home Loan Bank of Indianapolis, seeking gap funding up to \$75,000 for up to 12 homes. Securing this grant will allow more homes to be built by leveraging the ARPA funding and MSHDA MI Neighborhood opportunity. These awards are anticipated in November 2024. If secured, the County's ARPA will be used to leverage \$225,000 of this grant.

WHAT IS THE GAP FOR AFFORDABLE HOUSING BETWEEN CONSTRUCTION AND PURCHASE IN OUR AREA?

There are three important gaps to consider that impact affordable housing construction in our area: 1) the gap between construction cost and the real estate market, 2) the gap between construction cost and appraised values, and 3) the gap between construction cost and affordable mortgage. All three gaps provide challenges in constructing housing.

The higher cost of construction far exceeds the expected sales price for affordable housing, which is perhaps the easiest gap to understand. The appraisal gap is less well understood. In affordable housing construction, if the appraised value of a newly built home is lower than the actual construction cost, it is harder for both developers and eventual homeowners to secure adequate financing. This challenge discourages investment in affordable housing projects, as lenders are less willing to provide loans that exceed the appraised value, leading to a shortage of affordable units.

The affordability gap is more understood, although the great benefits of addressing this important gap are not always recognized. A standard rule of thumb for housing affordability is that a household should expend 30% or less on expenses relating homeownership (taxes, mortgage, insurance). For low and moderate income households, their available income for housing is constrained far below construction and market costs. Despite these challenges, providing affordable homes offers significant community benefits, including reducing housing insecurity, fostering community stability, reducing crime, and promoting economic mobility for families by helping them build wealth through homeownership.

WHY BUILD NEW HOMES ON VACANT LOTS?

Vacant lots in urban, residential neighborhoods often contribute to a range of negative impacts, including attracting illegal dumping, crime, and vandalism, which can degrade the surrounding community's quality of life. They can lower nearby property values and deter investment, creating a cycle of blight and disrepair.

Covenant Healthcare has partnered with the Saginaw County Land Bank to demolish homes and remove blight near its main health campus to provide future new housing for its employees and other members of the community. Building new housing will get properties back on the tax rolls, generating new tax revenue for the City and County.



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Hurley J. Coleman III
Executive Director

Marlana Cork
Chairperson

EXECUTIVE SUMMARY

Saginaw County ARPA Proposal CAC Home Repair Project

Amount of ARPA dollars requested: \$250,000

Period of Spending – October 2024 thru November 30, 2026

Service Area – Saginaw County (see townships, villages, and cities below) **non city of Saginaw residents*

- Spaulding Township
- Chesaning
- Burt
- Merrill
- Hemlock
- Carrollton Township
- St. Charles
- Frankenmuth
- Buena Vista Township
- Thomas Township

Estimated # of Completed homes: 25

Average amount of dollars invested per home: \$2,500 - \$10,000 (depending on needs)

Types of Eligible Property Types:

- Single-family owner-occupied homes with an income-qualified household (200% or below FPL)
- Detached Site Condominium units
- Modular / Manufactured homes permanently affixed to real property and taxes as real estate.

Qualified Applicants: Household income must be under 200% FPL (Federal Poverty Limit)

Eligible Qualified Activities: Roof; storm doors/exterior doors; windows; insulation; furnace/boiler/ventilation system/water heater repairs and/or upgrades; functioning up to date exterior lighting; appliance upgrade (stove/refrigerator); Electrical upgrades or replacement (partial/full); gutter/eavestrough



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COUNTY NEEDS FOR HOME REPAIR PROGRAM

Brief Narrative & Overview of Saginaw County Housing

The Saginaw County Community Action Committee (SCCAC) stands poised to significantly enhance its housing programs with the support of Saginaw County ARPA dollars, building on its longstanding commitment to residents. Since 1975, SCCAC's Housing Program (DOE weatherization) has empowered thousands of families across Saginaw County, both in rural and urban areas, helping them save up to \$7,600 in utility costs through energy-efficient measures. Our home repair initiatives align with the State Housing Plan, addressing systemic inequalities that limit access to stable housing and wealth-building opportunities. The economic stability of families is intrinsically linked to their housing situation, affecting not only their ability to purchase new homes but also to maintain existing ones.

With Saginaw County ARPA funding, the housing ecosystem could thrive, expanding the construction workforce and creating new job opportunities for contractors. As the demand for affordable and accessible housing grows, particularly among an increasing senior population on fixed incomes, SCCAC could utilize these resources to provide crucial repair solutions for those who lack the means or ability to address their housing needs. By revitalizing homes and enhancing housing accessibility, SCCAC can strengthen community stability, promote homeownership, and pave the way for generational wealth-building in Saginaw County.

Historical Narrative of Communication Agencies

- March 16, 1964, President Lyndon Johnson delivered a special message to Congress declaring “an unconditional war” on poverty.
- 1 of 1,300 Community Action Agencies in America! 1 of 27 agencies in Michigan.
- Community Action Agencies help the poor in the areas of self-sufficiency, employment, housing, education, management, information, and referral
- Saginaw CAC has been working in this space since 1965



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Quick Facts from Saginaw County Community Needs Assessment*

- **Three (3) out of the Top 5 needs in Saginaw County revolve around housing:**
 - Safe Affordable Housing
 - Emergency Assistance & Services
 - Home/Housing Repairs
 - Job Opportunities with Livable Wages – *impact one's ability to have discretionary income for home repairs.*
 - Food/Nutrition

The Goal for This Project

- Saginaw County Community Action could impact **25 homes in the surrounding Saginaw County area** with home repair improvements that would not have been possible without this funding.
- These improvements will remove blight, improve energy efficiency, and create a safer home for inhabitants including children and/or elderly and disabled.
- Provide local contractors with additional business that ultimately impacts our local economy
- Approximately \$205,000 would be allocated for direct repair expenses; we could impact 25 homes with an average cost per unit of \$8,200 for materials and labor costs.