ACSET’s Community Action Agency & Kent County’s Community Development Department/Housing Commission

A Potential Opportunity for our Community
A Potential Opportunity for our Community – Current Services

ACSET’s Community Action Agency (CAA) – In 1986, ACSET was established through a merger of CAA of Kent County and the Grand Rapids Employment & Training Council. The CAA Division provides a number of services to lower-income clients:

- Weatherization Services
- Commodity Food Distribution
- Utility Shut-off Protection
- Senior Services (i.e. congregate meals, transportation, meal delivery)

Kent County Community Development – The Kent County Community Development Department distributes Community Development Block Grant (CDBG) and HOME funds throughout the County. Historically, CDBG provided funds for:

- Sidewalks
- Transportation
- Eligible Home Repairs
- Park Improvements
- ADA Modifications
- Fair Housing Center
- Fire Equipment
- Senior Services

The approved Regional Consolidated Plan for 2016 – 2021 identified eight goals, of which six are designed to support the improvement of existing housing, ways to maintain current affordable housing, and increasing affordable housing.
Kent County Community Development continued -

Historically, HOME funds supported housing developments across the county with partners such as:

- Dwelling Place
- LINC Projects
- Genesis Non-Profit Development
- ICCF

We are now piloting a HOME Tenant Based Rental Assistance (TBRA) program to support homeless households.

We also maintain two Continuum of Care (CoC) grants (formerly called Shelter Plus Care) to serve homeless residents, and we actively participates in the Coalition to End Homelessness.

Kent County Housing Commission – The Kent County Housing Commission has 529 Housing Choice Vouchers [HCV] (formerly called Section 8 vouchers) to serve veterans, families with child(ren) in the child welfare system, and other eligible residents. Our waiting list has roughly 1380 households, and was last opened in August 2010.
A Potential Opportunity for our Community – Flat Funds

Kent County Community Development
CDBG Funding Amount

- Authorized Amount
- Amount Committed to Activities
A Potential Opportunity for our Community – An Evolution

741 East Beltline
Community Development/Housing Commission Home
1994 – 2005
3,245 square feet of leased space

Sheldon Complex
Kent County, Grand Rapids & Wyoming Community Development Merger – During 2013 and 2014, we conducted a study to determine if we could create one community development department by merging the County, Grand Rapids and Wyoming. We learned that –

• We would lose $500,000 annually via formula if we officially merged
• We could not create a jointly governed non-profit organization with a combined staff because HUD required us to have direct county/city employees input data reports into its official systems.
• HUD would not provide us with a single CD representative to ensure uniform policy interpretations

We concluded that we could –

• Create a regional consolidated plan so we were creating a regional strategy
• Create a regional impediments to fair housing report to ensure consistency and uniform strategy
A Potential Opportunity for our Community – An Evolution

82 Ionia NW
Benefits: County Owned, Reduced Operating Costs, Proximity to Multiple Bus Routes
Cons: High Security; No One Stop Shopping

Human Services Complex
Benefits: County Owned, Reduced Operating Costs, Proximity to Multiple Bus Routes, Reduced Security, One Stop Shopping with Michigan Works!, County Health Department & MDHHS
A Potential Opportunity for our Community – Due Diligence

- **Plante Moran** – Reviewed past five years of operational funds from both organizations, and normalized cost categories for review.

- **Internal Discussions** – Held several meetings and discussions with Fiscal Services and Human Resources during 2016 about the potential, and researched budgets and staffing. We also met with Facilities Management in 2016 to discuss necessary space implications. And in late 2016, we convened an administrative team between Fiscal Services, HR, Information Technology, Facilities Management, Risk Management, and Purchasing to assist with a potential transition.

- **Current Budgets** – The CAA and Community Development/Housing Commission budgets are approximately $6 million each for a combined $12 million Department. CAA has a carry-forward Community Services Block Grant of $969,000 in administrative funds. Community Development/Housing Commission has a carry-forward balance of $174,724 in unrestricted funds, $107,108 in restricted funds, and $1,157,136 in HUD-HELD rental assistance per HUD’s September 2016 report.

- **Cost Allocation** – We sought to ensure 100% cost allocation payments. The proposed model is designed to pay 100% of cost allocation during the next five years (estimated at $560,000 now to $602,000 in 2020). In the past three years, Community Development/Housing Commission has paid $74,424 (FY14), $34,108 (FY15), & $27,147 (FY16) due to limited funds.
A Potential Opportunity for our Community – Due Diligence

- **Personnel Review & Necessary Positions** – Staff reviewed seven organizational charts seeking administrative efficiencies, proper fiscal supports, and improved service opportunities.

- **Personnel Costs** – ACSET and Kent County learned that we have differences in staffing. This includes, but is not limited, to the following:
  - Kent County pays higher wages than ACSET.
  - Kent County participates in Social Security, while ACSET does not.
  - Kent County provides a defined benefit retirement (i.e. pension) with employee contributions, while ACSET only has a defined contribution program (i.e. government equivalent of a 401k).
  - ACSET provides more paid time off (vacation, sick, personal, holidays) than Kent County.
  - Kent County staff is represented by the UAW, while ACSET staff is represented by the SEIU.
  - ACSET and Kent County health insurance options are relatively equal.
A Potential Opportunity for our Community – Rationale

1. **Improve Services to Clients** – Both organizations have limited one-stop services to clients. Areas for improvement include –
   - Complementary Home Rehabilitation and Weatherization Services
   - Improved Coordination of Services for Housing Choice Voucher Recipients with CAA Services
   - Meeting Client Needs across the County through Satellite Opportunities

2. **Maintain Federal Funding** – Both organizations are at risk of federal fund recapture, which would reduce available funds to support the poor in Kent County. Areas at risk include –
   - Community Development Block Grant (CDBG)
   - HOME Investment Opportunity (HOME)
   - Continuum of Care Grants (previously Shelter Plus Care)
   - Community Services Block Grant (CSBG)

3. **Regionalization Concerns** – ACSET is the only Michigan Works! agency that operates a CAA, and that CAA only covers one county. Ensuring CAA funds stay in Kent County is a priority.

4. **Administrative Realities** – Federal funds require significant reporting requirements, but federal funds are not keeping pace with costs. Aligning necessary staff with funding is essential to ensure quality services to clients and meet federal requirements. The proposed model provides for cost allocation payments to Kent County, additional fiscal and CQI staff, as well as new case managers.
A Potential Opportunity for our Community – Budget

- **Budget Projections** – The combined budget and staffing model demonstrates that over the next five years with current revenue sources and anticipated staff raises, the combined budget will:
  - Provide anticipated raises and still allow funding for necessary administrative costs (office, supplies, computers, conferences, etc.)
  - Does not include use of carryforward funds to ensure that the carry forward funds are available for use if need be
  - Provides full cost allocation payments each year
  - Provides additional necessary support staff

- **Grant Management** – To accomplish this, we need become more sophisticated in how we track and categorize grant funding between administrative and program costs. Example: Environmental Reviews become program expenses rather than administrative expenses.

- **Tools** – We need to institute improved time tracking software so we can better categorize our work, and leverage funding differently. Currently, we are not maximizing allocation of time to ‘program’ expenses.
## ComDev - CAA Merger Personnel & Cost Allocation

### Revenue/Expenses - 5 Year Trend Line

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A Potential Opportunity for our Community – Staffing

- **Leadership** – The proposed staffing model merges staff from both organizations with Susan Cervantes becoming the Director, Sherrie Gillespie managing the CAA operations, and Darrell Singleton overseeing Community Development. This leadership team has over 50 years of CAA expertise, and 15 years of CDBG and Housing Choice Voucher (HCV) knowledge.

- **Staff Transitions** – Kent County will provide ACSET staff with Kent County wage and employee benefits based on the ACSET/Kent County Human Resource staffing comparison. In general, ACSET staff will earn more money, but lose time off. The major caveat is that because of ACSET’s non-participation in Social Security, the Social Security’s ‘windfall’ provision may require certain ACSET to retire for financial reasons. The windfall provision ensures staff which have not participated in Social Security cannot take a job with an employer that provides Social Security benefits unless they work for a number of quarters. Staff will be represented by the UAW since they are Kent County employees.
A Potential Opportunity for our Community – **Staffing**

- **Additional Staff** – The proposed model includes:
  - 1.0 FTE – Dedicated Financial Analyst
  - 0.5 FTE – Continuous Quality Improvement Director
  - 1.5 FTE – Case Managers within the Housing Commission

- **Housing Commission** – The 1.5 additional FTE in the Housing Commission increases staffing from 2.5 FTE to 4.0 FTE. This will provide additional time for clients and create increased cross training opportunities for staff which will benefit clients.

- **Home Repair/Weatherization** – The current, part-time HQS inspector will become a full-time Weatherization Inspector I. HQS inspections will be shared between Home Repair and Weatherization staff that are all certified as Housing Quality Services inspectors.

- **Current County FTEs** = 9.0

- **Proposed FTEs** = 31.5
A Potential Opportunity for our Community – Location

- **Location**—The proposed location for the combined Department will be in the CAA Suite at the Kent County Human Services Complex (121 Franklin SE) in Grand Rapids. Opportunities for satellite offices in northern Kent County can be considered as Kent County reviews programming options in Cedar Springs.

- **Location Impact**—The proposed location(s) benefit clients.
  - The Human Service Complex does not have metal detectors, which will provide easier service access for Housing Commission clients and Community Development guests.
  - The Human Service Complex has public health services available (WIC, Immunization, other) along with MDHHS services (State Emergency Relief/SER, Medicaid, Emergency Services, Family Independence Program/FIP, other) which occasionally may support the needs of Housing Commission clients. It also has a West Michigan Works! office.
  - Clients in northern Kent County will benefit if a satellite office is opened.
A Potential Opportunity for our Community – **Boards**

- **CAA Advisory Board** – The Community Action Agency has a required, tri-partite advisory board with representatives from local government, agencies, and clients, which meets monthly. The Kent County Board of Commissioners has a robust appointment process with annual solicitation, commissioner interviews, and appointments. The advisory board would provide an important role to ensure quality services are provided that meet community need.

- **Housing Commission** – The Kent County Board of Commissioners appoints Housing Commission members through the appointment process. The Housing Commission approves budgets Housing Commission budgets, and works with the County to provide necessary administrative services.
A Potential Opportunity for our Community – **Opportunities**

- **Needs Assessment**– The Community Action Agency regulations, Community Development Block Grant, and Affordable Care Act all require a community needs assessment. Considering the social determinants of health, there is a unique opportunity to align the assessments and services for Community Action Agency, Community Development and the Health Department. This provides an opportunity to impact community in a more strategic manner.

- **Branding**– The proposed merger allows for a new brand to emerge. Both organizations are not well known, and are occasionally viewed negatively. A merger allows for an intentional rebranding with community outreach and better messaging about the services provided.
A Potential Opportunity for our Community – Next Steps

- Kent County Process – Need approvals from Legislative Human Resources Committee (LHR), Finance Physical Resources Committee (FPR) and Board of Commissioners. Proposed timeline is as follows:
  
  - LHR – March 14, 2017
  - FPR – March 21, 2017
  - BoC – March 23, 2017


- MDHHS Process – We have received an email supporting the transfer. In the meantime, a public hearing in Kent County needs to occur within 60 days after the County approval for public comment.

- Transition Time – We need a minimum of three months after BoC approval to prepare Human Services Complex space, close out and transfer grants, transfer employees, etc. The best case scenario for the effective date of the merger is July 1, 2017, If that is not feasible, it would be October 1, 2017.