



TCC Minutes

Committees: Housing & Community Development

Date + Time: 8/28/25, 4:30pm

Location: City Council Chambers

Attendees: Chair Gadus, Vice Chair Jones, Driscoll, Williams, Hartman, Martinez, McPherson

Absentees: Melden

Also Present: Hobbs, Sarantou

Presenters: Wendy Pestrue, Erin Tupper, Coleena Ali, Bill Farnsell

Public Attendance: 11

Facilitating: Evan Snapp

Topics...

- United Way ALICE & 211 Report
- HOME Loans Forgiveness

Discussion...

- Gadus: I call to order this meeting of the Housing Committee. The purpose of this meeting is to discuss United Way's reports and HOME loans forgiveness. Please call the roll. First, we'll hear from United Way.
- Wendy Pestrue: Hi, we're glad to have this time today to speak on our work and progress in the community. We feel that this ALICE data is critical to understanding our community, and our 211 data, broken down by council districts, can also be critical.
- Erin Tupper: 211 is a 24/7 call line for social services that is largely funded across the country by United Way. ALICE is Asset-limited, Income Constrained and Employed. This makes up a population of residents that are above the poverty level, but still unable to pay all bills and living expenses.
- Tupper: The ALICE Household Survival Budget is a measurement of necessary household expenses including food, rent, water, etc. that is the point at which working people need to meet to sustain their family. We estimate that the survival budget is about 40k each year in Ohio, and for the median one income family in the ALICE range, they are facing a 15k deficit for their necessary expenses.
- Tupper: These data and our reports, including useful visualizations and such, will be provided after the meeting to the committee members, but look out for our regular updates we send out.



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- Pestrue: This council is rare in that it has appropriated funding for 211, which is more typically state-funded. So, we understand the utmost importance of providing useful information for this council and the City of Toledo and our county.
- Tupper: 211 is better than self searching or googling for answers in your community because our callers are matched with an experienced service expert who can connect them to resources they otherwise might not be able to find or access. 211 also has built in data tracking and analysis that allows us to understand the community's needs and position ourselves better to serve.
- Pestrue: Our CIE, or Community Information Exchange, is our database for sharing information on residents who utilize a lot of resources or social services in our community. Detroit, Columbus, and several other cities have begun to use CIE to track community needs and take an analytical approach. We make this as user-friendly as possible so it is accessible to our community partners and decision makers like yourselves.
- Tupper: 211 is also the entry point for homelessness services. We have two coordinated entry specialists for just this purpose. They are not working 24/7, but they work almost immediately on any homeless cases that may come across our phone line. 211 makes use of translation services in 12 different languages. 211 is also available for natural-disaster related calls.
- Tupper: Some local disasters that were responded to by our 211 operators included the Point Place tornadoes from two years ago, the COVID pandemic, and regular wintertime swings in need like during frigid temperatures and Code Blue alerts. Our new monthly reports will include our homeless shelter wait-list. Any questions?
- Gadus: I want to acknowledge our councilmembers who came in. I also want to thank you all for your work. These reports are very important to us, and this data is something we pour over each month. Especially this summer, when our water bills and electricity bills were rising, we needed to understand how many residents were on the verge of financial struggle or even homelessness.
- McPherson: Thanks for your proactive work during the winter months in order to keep people off the streets if we can. We know these numbers are increasing overall, but please keep us informed and thank you.
- Sarantou: Thank you both and your team for what you do. We do appreciate the periodic information and reminders about the needs of the community. Last spring, we talked about lobbying the state legislature about financially supporting 211. Is there an update on that?
- Pestrue: Stay tuned, because we will be taking busses to Columbus and Washington to fight for our statewide support. It has traditionally been harder without having a state United Way unified group or coalition. We have been thinking about contracting out for a lobbyist in Columbus.



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- Martinez: First of all, great work. I'm impressed by how much information we can gain from these reports. Do the callers have to be in Lucas County?
- Tupper: We cover 15 counties, and the callers just have to be eligible for the services in their county. It wouldn't guide someone from outside here into Toledo.
- Williams: I want to thank you for the quick response you all had to the Executive Towers situation this month. Thank you.
- Richard Arnold: I used to volunteer for this program. I wanted to note how information referrals can be political, just look at Detroit's recent case regarding two homeless children that got bounced around different organizations. I think we should have a long-term plan for what happens when your state grants run out.
- Tom Krom: I wanted to take this opportunity to talk about the voluntary tax-assistance program, which we rely on 211 and United Way to schedule for and spread the word about. This is a great program and we were able to help hundreds of folks thanks to our partnership.
- Gadus: Thank you all for speaking on this topic, next up will be our Department of Housing. We are going to talk about HOME loans forgiveness. First, we will have Councilwoman Williams speak on the legislation she has presented us with.
- Williams: Thank you so much. I'm glad we are going to get the full understanding of the conflicting sides on this issue. My priority in this conversation is the constituents of District 4, which includes many of the homeowners of these tax-credit homes. I know our city administration has relieved these type of loans before, and our residents now deserve the same consideration. Whatever we think of Neighborworks, they have been a vital and active community organization. I'm willing to answer any questions on my legislation.
- Coleena Ali: I'm the Deputy Director of the Housing Department. We would like to make the case that the loans should actually be paid back. We're going to start by talking about the HOME investment partnership program. The City uses HOME funds for Down Payment assistance, owner-occupied housing rehab, subsidizing new construction, and lower than 10% on the costs of administrating the program.
- Ali: This year, our HOME allocation from HUD is getting cut by approximately 650,000. We also have not actually received our 2025 allocations yet. As distressing this loss will be, we see that the 2026 federal HUD budget is not allocating anything to HOME, which would be devastating. These funds are critical to the work we do.
- Ali: We have been very diligent on collecting on our loans, including 1.2 million on our HOME loans between 2022 and 2025. We would like to continue these collections. Please know that we find it imperative to use these funds for our programming.
- Ali: It has been insinuated that previously the City of Toledo has forgiven HUD loans that were owed back to us, which is not exactly true. We have only negotiated loan modifications before, with more favorable terms. The credits we have offered before are not synonymous with loan forgiveness, like we are talking about today.



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- Ali: In essence, we need program income from these loan repayments. We have declining federal funds, the threat of being cut off from HOME, and ARPA funds are unable to be appropriated to any different purposes now. Our ongoing programmatic needs are incompatible with the loan forgiveness that is now suggested. This income allows the city to invest and help compete on major LIHTC deals.
- Ali: I believe there is a win-win situation for everyone in this situation, which I will delve into now. If we look at the United North School Homes, we have analyzed the remaining value on these mortgages and the potential resale value. The revenue from selling these houses could pay back the loans and provide them to new homeowners. Neighborworks as the holder of the debt could make back their money. Likewise, for United School Homes II, many homes can be sold exceeding their value and turn a profit. The SETH homes (South East Toledo Homes) could produce 1.2 million in profit and pay back the principal and interest to the City. We believe these could be a win for the City, and a win for Neighborworks. Paying off these loans and selling the properties would fund our continuing programming for a housing-needy city, and Neighborworks can make money from the hard work of resale and closing the loans.
- Gadus: On the negotiated loan modification page (page 11 of the power point), were these terms altered permanently or only for a set period? Could you explain more?
- Ali: Yes the terms would not return to the original rates, and we found this to be pretty successful in ensuring that the loans were paid back in full and on time.
- Gadus: The proposed federal budget allocation of zero; when were we made aware of this- or when will we know the final allocation that is ultimately approved?
- Ali: This was the presidential budget, which is subject to many congressional changes, and there is no promise of timing for when we receive our information or funding. We have to sit back and wait patiently. With that I'd like to open it up to my colleagues.
- Williams: Is Neighborworks working on the Thurgood Marshall project? (Yes) so from that perspective, that project could be helped by my proposal. What happens if the homes aren't sold, according to your plan? It's rhetorical, because no one gets any money. I do want to make a point about these houses- they need upkeep and even new roofs, otherwise they won't be sold. There are sewer issues. If the loans aren't forgiven, how can they be reinvested in? I would like to see these 46 homes sold, but in order to keep investing in these distressed neighborhoods, we need to support Neighborworks. I care more about the constituents living in these homes. They are in hard times, just like us. They were promised that these loans would be forgiven, though unofficially. I think forgiving these loans is the win-win scenario. I do have a couple questions about the HOME funds; we gave an 800,000+ recoverable grant to Unison, that focuses on mental health, and it's not 'online'. I'm very concerned by this. I'm concerned that we'll have to pay back this as the city. Whitney Manor. I think this is relevant to bring up today. We want to forgive 46 individual home loans instead.



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- Martinez: I'm going to put on a couple different hats for this, because I believe this can also apply to the Old South End, where these loans were originally a transformational, beneficial undertaking. As a community developer, I see this as an investment in a disinvested community, where our Housing Department see them as a way to make income. In our field, we are told to diversify our income streams to not be reliant on government funding. This money could go a long way to continue their work in the Old South End. I don't think we should forgive every loan across the board, but those with local, responsible developers partnered with an organization like Neighborworks. I understand the hesitancy to forgive the loans, but there is a mandate to continue investing in our depressed neighborhoods. This isn't unheard of, it's not an impossible problem; other cities have been able to successfully enact a plan like this. Has there been an independent assessment of the housing markets? Instead of Zillow estimates which will not be very accurate. I think if we go through with the loan forgiveness, we will see a shining example of a strong local nonprofit that reinvests and rehabilitates homes in our historic but depressed areas.
- McPherson: By forgiveness of these loans, are we talking about the occupants of the houses? (Heads shaking no) Because I want to have a clear understanding of how this would happen. I think we should be supporting people who want to make the investment to fix homes, keep them, and support themselves as homeowners. I'm looking at these addresses, and the areas I'm very aware of, and I'm skeptical of how the 'win-win' scenario will work, and who will benefit from it. Not just the City or Neighborworks, but the citizens.
- Williams: Of the programs listed in your presentation- Is Westminster on there? Because I believe they owe 500k. Why are they not on there?
- Ali: This is the updated list, and no Westminster isn't on there anymore.
- Martinez: I appreciate the passion we've seen today, but as we're talking about the different projects around the city that still need funding, or need ongoing funding, it may be time to look critically at some other projects that haven't panned out yet, like Ashland Manor.
- McPherson: Looking back at the proposed loan modifications in your power point, perhaps that could be a better solution at this point; a compromise.
- William Farnsell: I'm the CEO of Neighborworks, and I'm here to advocate for the release of all debt on the United North School Homes and SETH homes. When we had made these developments, there was a shortage of equity available to residents, and the City had this fix. If you look at the entire indebtedness, a full repayment could get an average of 44k per home for the City. If you release the debt, we'll work with the tenants to get private financing for new homeowners. One of the major advantages is helping people with less than desirable credit scores. We are also going to reinvest in the homes, the properties, so they have at least 20-30 more years of economic viability. As well, in cities and states across the US, no one is able to fully recover the value of



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HOME loan properties. The point is, we need to collect and then reinvest in homes that don't sell. The problem with the Housing Dept's projections is they are overestimating how many of these homes will sell. I would guess 60% of these homes will not sell as-is. The real win-win was that the City received the benefit of this development the whole time, and they don't need the loans paid back to achieve some benefit they haven't already. We should instead help the residents win. We don't need supervision, because we have built a legacy on doing what we say we will. Trust us to do the right thing for the constituents. Thank you.

- Gadus: Thanks to those that gave public comment, and to our presenters. Seeing no further comments, this meeting is adjourned.