

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: May 19, 2021

I. FEDERAL

- A. The American Rescue Plan Act of 2021:** The Act includes several programs for eviction prevention, including one program to increase voucher funding directly to PHA's. HUD was awarded \$5 billion to increase the voucher capacity to PHA's to serve households who are homeless, at-risk of being homeless and households fleeing domestic violence. The AAHC was awarded 29 vouchers. The funding can be used for rental assistance and administrative costs including security deposits and other eligible uses as determined by HUD. If the voucher turnover after September 30, 2023, they will not be renewed. The AAHC is partnering with the Continuum of Care and Safe House to get direct referrals and provide lease-up assistance to applicants. See resolution to approve MOU.
- B. FY21 PHA Administrative Fee Rate:** The AAHC receives an administrative fee to manage its voucher programs. The AAHC only gets paid a fee for leased-up vouchers. The fee is paid every month based on the number of vouchers that are leased-up on the first of the month. The first 7200 voucher months leased in the year are paid at a level A rate and the remaining monthly voucher leased are paid at a lower level B rate. HUD annually calculates the cost of administering the voucher program, specific to each agency. After Congress passes the budget, HUD determines if the budget line item for administrative fees are enough to cover these administrative fees. If it is insufficient, the administrative fee rate is reduced to the amount HUD thinks will be covered in the budget. **The pro-rated administrative fee rate for FY21 is 82%, compared to FY20, which was 81%.**
- C. HUD withdraws proposed mixed-status rule:** HUD previously proposed a new rule requiring all household members to show evidence of their immigration status, even if the household member was not requesting benefits under the HUD program. This rule was revoked and because it was never implemented, no changes are required by the AAHC. This change reflects 2 Executive Orders issued by President Biden, as described by NAHRO.
- "Executive Order 13985 (Advancing Racial Equity and Support for Underserved Communities Through the Federal Government) directs agencies to pursue a comprehensive approach to advancing equity for people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality."
 - "Executive Order 14012 (Restoring Faith in Our Legal Immigration Systems and Strengthening Integration and Inclusion Efforts for New Americans) directs agencies to welcome immigrants, develop strategies that promote integration, inclusion and citizenship, and encourage full participation in American democracy."

II. STATE & LOCAL Partnerships:

- A. Washtenaw County Continuum of Care Diversity Equity and Inclusion Initiative:** The County is partnering with the Michigan Nonprofit Association to conduct agency DEI Assessments for local nonprofits working to address homelessness. The assessment is intended to assess our capacity and progress in demonstrating best practices in diversity, equity and inclusion. Results of the assessment were forwarded to staff and board members to discuss opportunities to identify opportunities to create a more diverse, equitable and inclusive workplace for staff as well as programmatically for our tenants
- B. City of Ann Arbor of Office of Innovation & Sustainability:** The OIS is working with us to purchase electric vehicles and access DTE funding to install solar-powered charging stations. We are in the planning stage to determine the best locations to install the charging stations, purchase company vehicles for staff and shared-use vehicles for tenants.
- C. City of Ann Arbor and St. Joseph Hospital:** The City of Ann Arbor approved a resolution in February to purchase the property to convert to an active park. Peace Neighborhood Center is meeting with residents, especially youth, at West Arbor to talk to them about the types of activities they would like to do at the park. An adjacent property owner has an encroachment onto one of the properties that needs to be resolved prior to acquisition. And, we are in discussion with the parks department about splitting one of the properties so that the AAHC has space to add outdoor storage facilities for residents to store items like bikes, outdoor furniture, and grills.
- D. Washtenaw County Defense Attorney & Prosecutor's Offices:** The County convened a Prisoner Re-entry Committee of multi-disciplinary stakeholders across the community to develop meaningful strategies to help prisoners re-entering society to be successful. The AAHC is participating in the housing sub-committee.
- E. Glacier Hills Grant, Huron Valley PACE:** Joel Barson, Residency Manager at Lurie Terrace, reached out to PACE, a non-profit health care provider for older adults, to partner on a 3-year grant application from Glacier Hills, to provide gerontological social worker at Lurie Terrace. If approved, we would pay for a part-time position to serve the residents at Lurie Terrace.
- F. Comcast & Peace Neighborhood Center (PNC):** Comcast has a new program called the Lift Program to provide high speed internet services to community centers serving low-income communities. Comcast will be providing this free service to West Arbor and Maple Meadows.
- G. Lead for America:** Approached us to work with them to place a fellow for 2-years at the AAHC. Lead for America is a non-profit whose goal is to connect young leaders to their community to provide community-centered public service.

DEVELOPMENT

- A. Swift Lane (Creekside Court and State Crossing):** Norstar is continuing to work with

our investor, Regions, to determine the amount of the penalty for not meeting our construction and occupancy targets due to COVID. We are also working with Norstar and Regions on the cost certification, draw-down of the balance of our developer fee and closing on our permanent financing with Cinnaire to take-out our construction loan.

- B. Lurie Terrace:** We are fully staffed at Lurie Terrace, have signed new leases, and are finalizing our financial reconciliation with Senior Citizens Housing of Ann Arbor, the previous owner. Staff have also started working with Lurie residents to determine eligibility for project-based vouchers. Washtenaw County Office of Community and Economic Development administers the Senior Nutrition Program for the County and we have discontinued the mandatory 15 meals/month at Lurie and residents can voluntarily participate in the free Senior Nutrition Program instead. About ½ the residents are participating.
- C. City-owned properties:** On April 19th, the City Administrator included an informational item to City Council on the community engagement process for 121 E Catherine, 353 S. Main, 721 N Main, and 309 S. Ashley. City Council approved resolutions designating the AAHC as the developer for 353 S. Main and 721 N Main (after the lot is split to remove the floodplain/floodway) as well as Fire Station #2 on E Stadium. I will be making a presentation at the June 14th City Council Work Session. I will also provide an update to City Council on all of the city-owned sites.
- D. SmithGroup:** SmithGroup is an architect/engineering firm that was selected by the City through a competitive process to conduct the community engagement process on downtown city-owned sites. SmithGroup is also conducting the pre-entitlement process for 415 W Washington and 350 S. 5th. As we move into the development phase, we have been having discussions about the needs of the AAHC and the best role that SmithGroup can perform to assist us. I would like to hire SmithGroup to be our architect/engineering representative to advocate for our goals and needs with whomever we hire as the developer, architect, engineer and general contractor. They fully understand what the AAHC and the City is trying to accomplish through our affordable housing development sites and they speak the language of and will be able to identify problems and solutions when we are working with our developer, architect, engineer and general contractor. Our procurement rules allow us to hire architects & engineers without following a competitive bid process.

IV. FINANCIAL REPORT AND UPDATE

April 2021 financial reports are included

V. PROCUREMENT ACTIVITIES BEYOND SMALL PURCHASES (\$25,000+)

The generator at Miller Manor failed. Because it provides power to the fire panel and emergency back-up, we cannot continue operations without an immediate plan. We executed an emergency, no-bid contract to rent a temporary generator while we work with an engineer to design a permanent replacement with expanded capacity to also provide power to the elevators during an emergency. The cost is \$11,472 for the first month, and a monthly rental cost of \$4,121. Tim Olivier estimates that it will take 4-6 months to install a new permanent generator, because we need an engineer to determine the capacity needed and we will need to expand the mechanical room in order to fit a larger generator on the property.

VI. PERSONNEL

- A. **Staffing:** Welcome to Kristina Hudson, Facility and Maintenance Technician; Peter Dietrich, Occupancy Specialist – Waitlist; and Courtney Cox, Administrative Assistant.

Congratulations to Terry Holman, who passed his level 2 progressions and Brookanne Maitland who passed her level 3 progressions. Congratulations to Katrisha Kelly who completed a week-long Housing Quality Standards (HQS) training and certification.

Training: 4 Managers took a 2-day Fair Housing Training: Weneshia Brand, Beth Yaroch, Misty Hendershot, and Joel Barson. All remaining staff will be taking a 2-hour Fair Housing Training this week.

VII. OPERATIONS

- A. **Non-Elderly Disabled Voucher Program:** All 45 NED vouchers are leased up from the 2018 award and 76/90 NED vouchers are leased up from the 2019 award. In addition, we have to lease-up 41 new NED allocated through the CARES Act in 2020 and another 75 NED vouchers allocated from the CARES Act in 2021.
- B. **Affordable Housing:** Cinnaire, our lender, completed a physical inspection of Swift Lane in preparation on closing on our permanent loan in June, to take out our construction loan. Cinnaire also annual completed file reviews and physical inspections of Maple Towers, River Run and West Arbor and there were no issues at any sites.
- C. **Fire at Miller Manor:** The total costs to repair the fire damage at Miller is over \$500,000. The building suffered extensive damages that are continuing to keep 9 units from being rented while repairs continue. The AAHC has a \$10,000 deductible.
- D. **Maintenance:** Tim Olivier and TJ Irvine are securing estimates to complete the mandatory HUD renovations at Lurie Terrace that must be completed within 12 months of closing. The work includes tuck pointing (the exterior masonry), converting 5 apartments to fully accessible, widening the patio doors to the exterior community balconies to make them accessible, removing the cooking equipment from the kitchen, and a few other minor interior and exterior repairs. Tim and TJ are also securing bids to replace the exterior driveway at Baker Commons, and fix the exterior lighting at Lurie. Spring and summer lawncare contracts were executed for all properties.
- E. **Homeownership:** Another family purchased a home through the voucher homeownership program and 4 families are looking for a home.
- F. **Project-Based Vouchers:** Avalon leased-up 16 project-based vouchers at Hickory Way Phase I. Misty Hendershot and Weneshia Brand are working with Courthouse Square to lease-up 20 PBV.