

## FY18 & FY19 Budget City Council - DRAFT

- ❖ Achievements from the last year (please limit to top five in the interest of time)
  - Public Housing Redevelopment under the RAD Program. Completed Phase 1 & 2 of RAD conversion (\$31 Million). Renovations under way for Phase 3 (\$1.4 M) and demo and new construction underway for Phase 4 (\$13.6 M)
  - Reduced energy costs by X amount through energy efficiency improvements
  - Housed over 80 homeless individuals and families
  - Completed progressions for Maintenance Technicians and nearly finished with progressions for Occupancy Specialists and Administrative Assistants
  - Increased Voucher usage in the City of Ann Arbor by X
  - Family Self Sufficiency Program – X active participants, X graduated from program.
- ❖ Core Services worksheet review highlighting the current level of service/standard that your existing funding provides for
  - N/A
- ❖ Initiatives/Innovations/Ideas reviewing upcoming projects for the next year and how they may tie to Council priorities, strategic plan, and the sustainability plan
  - **Public Housing Redevelopment under RAD.** Applying for \$20 million in additional funding to complete Phase 5, which includes 5 properties.
    - Council goals of Delivering Exceptional Service, Ensuring Financial Health, and Enabling Economic Development
    - Sustainability Plan goals of Diverse Housing, Sustainable Energy, Energy Conservation, and Sustainable Buildings
  - **Software Upgrades.** \$25,000 first year and \$16,000 annually to add on-line tenant applications for the waitlist and to enable on-line rent payments so that tenants do not to physically go to the AAHC offices to apply for housing or pay rent.
    - Council goal of Leveraging Information Technology
    - Sustainability Plan goal of Human Services and Responsible Resource Use
  - **Organizational Assessment.** \$50,000 one-time expenditure for organizational needs assessment based on changes in funding, regulations, tenant population, and increase in the number of apartments related to RAD conversions.
    - Council goal of Strengthening Human Capital
    - Sustainability Plan goals of Diverse housing and Human Services
  - **Tenant Services Funding.** Partnering with Avalon Housing to secure \$200,000 in additional tenant services funding for on-site case managers for homeless households at newly redeveloped properties.
    - Council goals of Delivering Exceptional Services and Ensuring Financial Health
    - Sustainability Plan goals of Human Services, Diverse Housing and Safe Communities
- ❖ Budget Impact sheet review reviewing targeted cuts, additional needs, and funding for Initiatives/Innovations/Ideas above
  - Budget Cuts
    - **Yardi software consultant.** \$60,000 one-time expense to RightSource, not in budget for FY18. The AAHC is working with city IT department
    - **Overtime.** \$35,000 estimated overtime related to RAD property redevelopment, office moves, and staff turnover.
    - **Inspections.** HUD changed the voucher regulations so that private landlord apartments participating in the voucher program, only have to be inspected at

initial move-in and thereafter once every two years instead of every year if the tenant continues to live in the apartment. Annual savings of about \$35,000.

- **Tenant Services.** \$50,000 reduction in AAHC payments to service providers, which are now paid for by other funding sources.
  - **Building Renovations and furnishings.** \$26,000 in renovations to West Washington which were not covered by insurance proceeds related to the fire. \$12,000 in renovations and moving costs related to administrative office move from Ashley to 2000 S. Industrial. \$50,000 in renovations related to office and common area renovations at Miller Manor not covered by development funds. \$12,000 for additional file cabinets for long term record storage. These are all one-time expenses.
  - **Continuum of Care (CoC).** The AAHC has reduced the number of grants that it acts as fiduciary for non-profit agencies in the community under the Continuum of Care Program. These grants are now administered by the non-profits who are receiving the funds. The CoC program provides rent subsidies and service funding for homeless households. The AAHC gets paid a small amount to administer these time-intensive grants. The budget is reduced by \$1.5 million in grants and funding, which reduced administrative fees by \$24,000 too.
- Additional needs
    - **Wages and Benefits.** Estimated \$115,000 first year increase and \$104,000 annually in salaries and benefits based on new base wages, progressions and training for progressions.
    - **Lost Rent Revenue.** While the AAHC is applying for funds for Phase 5 of the RAD conversion for demolition and new construction of Platt and White/State/Henry, the AAHC is not filling vacant units due to the poor condition of the buildings which will be demolished.
    - **Congressional funding for HUD programs.** The Voucher program, which provides rent subsidies for over 1800 families is only providing 82% of the administrative fee to the AAHC to administer the program. If the program was funded at 100% of HUD's calculated cost, the AAHC would receive about \$220,000 in additional administrative fees and the program would not need ongoing financial support from the City of Ann Arbor to cover expenses.
  - Initiatives
    - **Public Housing Redevelopment under RAD.** Applying for \$20 million in additional funding to complete Phase 5, which includes 5 properties.
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    - **Organizational Assessment.** \$50,000 one-time expenditure for organizational needs assessment based on changes in funding, regulations, tenant population, and increase in the number of apartments related to RAD conversions.
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