

MEMORANDUM

**TO: Board of Commissioners
Ann Arbor Housing Commission**

FROM: Jennifer Hall, Executive Director

DATE: July 12, 2024

I. FEDERAL

- A. **On June 17, 2024**, HUD announced that the timeline for implementing the Housing Information Portal (HIP) will be pushed back and revised. As of now, there is no definitive timeline or revised dates, but HUD expects to provide a revised schedule for HIP in the coming weeks.
- B. **On June 14, 2024**, HUD's Public and Indian Housing (PIH) Office of the Assistant Secretary sent an email to PHAs stating that the National Standards for the Physical Inspection of Real Estate for Vouchers (NSPIRE-V) implementation compliance deadline has been extended until October 1, 2025.
- C. **On July 10, 2024**, NAHRO published a notice regarding the HOTMA implementation notice reiterating that each PHA will set its own compliance date as early as January 1, 2024, but no later than January 1, 2025. HUD emphasized that *compliance* with Sections 102 and 104 of HOTMA means not only applying HOTMA regulations to affected programs but also reporting in HUD's new Housing Information Portal (HIP) system. Currently, PHAs remain unable to select a compliance date because HOTMA compliance depends on transitioning from HUD's IMS/PIC system (which is unable to accept the HOTMA-compliant Form HUD-50058) to HUD's new HIP system (which will be the only system that accepts the HOTMA-compliant Form HUD-50058). PHAs cannot transition to HOTMA until HIP is in place, HOTMA-compliant, and accessible.

Although HOTMA will not be implemented by the PHA until an unknown date in the future, Notice PIH 2023-27 states the PHA must update both the ACOP and administrative plan based on the PHA's fiscal year start date. However, these policies will not be effective until the PHA's compliance date. This means that the PHA's policies will be completed and approved well ahead of when the PHA actually implements HOTMA. During the transition period between when the PHA adopts its new HOTMA-compliant policies and the date the PHA fully implements HOTMA, the PHA will have two policies in place – one that is updated for HOTMA and their pre-HOTMA policy.

II. STATE & LOCAL Partnerships:

- A. **Washtenaw Housing Alliance (WHA)**: The WHA Landlord Advisory Group held a networking event, "Maximizing Profits While Building Community: Bridging the Gap" on June 27, 2024. At the event, local landlords and housing providers working to end homelessness had a chance to meet one-on-one with each other. The main purpose of the Landlord Advisory Group is to

grow landlord advocates in our communities who are active partners in providing more affordable housing options for those exiting our homeless system of care and educating other landlords on the critical role they must play in accepting, for example, housing choice vouchers (HCVs).

- B. State of Michigan:** On June 26th the Michigan House held a floor vote on the five (5) Source of Income Nondiscrimination legislation Michigan Coalition Against Homelessness (MCAH), Washtenaw Housing Alliance (WHA), and other statewide partner organizations and individuals have urged for representatives to pass this year. As you remember, the Senate approved the bills this time last year. However, now the bills must pass the full Senate again so that the House bills and Senate bills match in language before being brought to the Governor for signing. We are hopeful this will happen when the legislature returns to session at the end of July.

Michigan Legislature Passes Historic \$20M Supportive Housing Services Appropriation to fund supportive housing services as a cost-effective model to address homelessness and housing instability. The appropriation will provide grants to supportive housing providers across the state and builds from the \$6 million appropriation for the Supportive Services Pilot program the legislature passed in 2022. The funding will provide housing-related services for both people living in supportive housing and people experiencing homelessness moving into supportive housing who need additional support to maintain housing stability.

The budget proposal was in response to CSH's Supportive Services Transformation Fund (SSTF) model, which received sign-on support from seventy-seven housing and service organizations and more than fifty individuals, which helped to demonstrate the dire need for these resources across the state. The budget is pending Gov. Whitmer's signature.

III. DEVELOPMENT

- A. **121 E. Catherine:** The drilling has started for the geothermal heating and cooling system. Once construction is complete the property will be known as Dunbar Tower. We are contracting with OutFront agency to do a video series on the development work we are doing, focusing right now on Dunbar Tower. This will be shared with the community to help show the community the good work the agency is doing and that we are good stewards of their millage funds.
- B. **350 S. 5th:** Architects are being interviewed and once under contract, we will begin the site plan approval process. A letter of intent was signed with Related Midwest to co-develop one or two multi-family building.
- C. **2000 S. Industrial:** No update
- D. **1510 E. Stadium:** City Council approved the sale to the AAHDC for \$35,000. We are in the process of getting bids on renovations. We will move our maintenance staff to Stadium this fall and then move our finance and development staff there in the spring.
- E. **721 N Main/123 W. Summit:** City Council approved the sale to the AAHDC for \$44,000. A Phase I and Phase II were completed, including soil testing. The City will be demolishing some buildings on the bigger 721 N main site and a portion of the 123 W Summit so we will not take possession of the site until after the demolition work is done in the summer of 2025.
- F. **404 N Ashley:** No Update

IV. FINANCIAL REPORT AND UPDATE

May 2024 Financial Statement Highlights

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

\$73,000 OutFront Videography, Dunbar Tower (121 E. Catherine)
NTE \$74,000 Grafton Hills Consulting, Development Consultation
NTE \$74,000 Social Innovation Enterprise LLC, Financial Consultation
NTE \$43,680 Nancy Neff, AAHC Accounting Services

VI. PERSONNEL

- A. **Staffing:** Welcome to Mindy Dolan, who was hired as a FSS and Support Service Coordinator. Mindy filled the prior FSS Coordinator vacancy in the Administrative and Support Service department. Property and Compliance Specialist, Maria Spencer, retired June 26, 2024. Maria has worked with us for 18 years spending most of her tenure in the HCV department. Peter Dietrich, formerly an Occupancy Specialist for Lurie Terrace has been promoted to Maria's former role as a Property and Compliance Specialist. Zhe'Ahnte Johnson, Occupancy Specialist for the Housing Choice Voucher department resigned in June. The vacant position will be posted in July. We have posted five (5) vacant positions: Occupancy Specialist, HCV Residency Manager (new), Occupancy Specialist Waiting List, Facility and Maintenance Technician (new) and a Temporary Administrative Assistant (new).
- B. **Progressions:** Terrance Heiligh completed his progression level 2 and now is applying for his level 3. Courtney Cox completed her level 3 progression.
- C. **Training:** Wade Smith and Mindy Dolan complete the HUD FSS Program Training as of July 11, 2024.

VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 231/251 vouchers are leased. HUD's goal is to have at least 82% leased up and the AAHC is at 92% leased up.
- B. **Family Unification Vouchers:** 30/32 vouchers are leased-up. 1 household from the waitlist has been issued a voucher and is currently searching for a unit. HUD's national FUP lease-up is 80% and the AAHC is at 94%.
- C. **Emergency Housing Vouchers:** 27/29 vouchers are leased-up. 2 households ported and were absorbed by the other housing authority. We are currently seeking guidance from HUD to confirm if we can lease the 2 open vouchers because it is a time-limited voucher program.
- D. **VASH:** 186/237 vouchers are leased-up. 15 families are currently searching for units.
- E. **Voucher Program:** The waitlist staff continued to pull several hundred people from the

waitlist over the last several months. AAHC is exempt from completing the annual SEMAP report due to our new designation as a MTW agency.

D. **Homeownership:** In June, Weneshia meet with several lender to discuss the homeownership program. Topics included down payment assistance, including the voucher in underwriting, and CRA loans. Later in July, Weneshia met with Ryan Collins of Change Home Mortgage to discuss wholesale loan products. Weneshia continues to meet with lenders and realtors to develop awareness and support for the HCV Homeownership program.

E. **Moving To Work:** No update

F. **Affordable Program:** The occupancy rate target is 95% or higher for LIHTC properties. As of today, the occupancy rate for each project is as follows; 87% Maple Tower, 87% River Run, 95% West Arbor, and 90% Swift Lane. Occupancy is currently lower than our goal due to several factors: an unusually high number of deaths, fire and water damages at Baker Commons (River Run) and State Crossing (Swift Lane) and a high number of residents who moved out with tenant-based vouchers.

G. **Maintenance:**

- a. Broadway relocation is underway to enable major renovations to occur. A Request for Proposal was issued and O Neal Construction was awarded the bid, conditioned on approval from the AAHDC for \$2,153,533.00.
- b. Baker Fire Suppression: An RFP was issued and Jackson Automatic Sprinkler was awarded the bid as the only bidder that responded to the full scope of work in the amount of \$892,642.00, conditioned on approval from the AAHDC. The Downtown Development Authority (DDA) approved a \$650,000 grant to support this work and the balance will be paid for with the City's Affordable Housing Millage. Additional costs include engineering and design.
- c. Maintenance Technician are working daily to keep up with daily operations and unit turns. The AAHC is on the City of Ann Arbor's rental inspection schedule for all of our units, which is taking up a lot of time to pre-inspect and fix items that are identified as well as accompanying the city on inspections and fixing items the city identifies. The AAHC
- d. Scheduling heating and cooling maintenance service for Miller, Baker, and Lurie Terrace.
- e. The parking lot at Baker was repaved, sealed and striped. The Electric Vehicle was delivered and tenants are getting registered to use the vehicle. A pavilion was built for grilling and for smokers.
- f. DTE provided a rebate of almost \$20,000 for the extra insulation we added at Lurie Terrace when the roof was replaced.
- g. Design has started at Miller Manor to replace the roof and fixing the infrastructure issue. We decided to do all of the work, including radon mitigation at the same time because each item interferes with the other and it made sense to coordinate the 3 issues. The solar panels will need to be temporarily removed from the roof and we are exploring storage options as well as whether to upgrade the solar to today's technology even though we are not at the end of the useful life of the solar panels.