

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** April 12, 2017

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### I. FEDERAL

**A. 2017 VOUCHER BUDGET:** HUD's Office of Public and Indian Housing (PIH) sent out a letter to PHA Executive Directors to help them plan their 2017 budgets for the housing choice voucher (HCV) program. The letter provides important information and guidance about budgeting for the year. Below are just a few highlights (as summarized by Nan McKay Consultants):

- Because HUD is operating under a Continuing Resolution, there are two main 2017 funding possibilities that could result: 1) HUD could receive a full year Continuing Resolution where 2017 would be funded at the same level as the FY 2016 appropriation amount. Under this scenario, HUD has calculated an estimated proration of 94 percent for 2017 HAP funding, and 77 percent administrative fee proration. 2) HUD could receive an appropriations act in which Congress implements HCV funding based on either Senate or House Appropriations Committees budget priorities. Under this scenario, based on current circulating bills, HUD estimates a HAP proration of 97.5 percent, and 75 or 80 percent admin fee proration based on these two bills, respectively.
- For 2017, there is a substantial inflation factor that impacted the proration levels above. All PHAs will have an inflation factor of at least 2.58 percent, and approximately 40 percent of PHAs will have an inflation factor higher than 2.58 percent. HUD will publish inflation factors in the Federal Register when the full year funding is known, either through a Continuing Resolution or appropriations act.
- HUD anticipates that funding eligibility to continue based on actual and eligible HCV HAP expenses incurred during CY 2016, as reported in VMS.
- The letter states that while HUD does not know what the final appropriations will be, a full-year Continuing Resolution seems to be the responsible starting point for program operations, so PHAs should assess projected leasing and spending starting with the 94 percent proration.
- HUD will be assessing projected spending and leasing using the assumptions detailed above, so PHAs may hear from HUD staff if a shortfall or significant leasing potential is projected.

**B. 2017 PUBLIC HOUSING BUDGET:** HUD is providing \$18,522 in annual operating subsidy for the West AMP (1 property, 2 units) and \$134,520 in annual operating subsidy for the East AMP (5 properties, 47 units). This is a proration factor of about 84%.

**C. 2016 VOUCHER PROGRAM FUNDING:** HUD provided \$35,871 in additional Administrative Fees for 2016, which ended the year at 83% pro-rata.

### II. RAD REDEVELOPMENT

- A. West Arbor (N Maple):** Certificates of Occupancy have been issued to all 46 apartments and 35 families have moved in. All 46 apartments are scheduled to be leased-up by April 30, 2017. Norstar Construction is completing landscaping and exterior building punch-list items.
- B. Swift Lane (White/State/Henry and Lower Platt):** MSHDA published the self-scores of all of the applications. (see attached). All of these projects are affordable housing projects. Based on the chart, it looks like we are ranked 7th out of 40+ applications. However, each application has to choose a category to compete in because the points vary by category and each application is only applying against those in its same category. Swift Lane applied under the PSH (permanent supportive housing category). Even though we are ranked 7th out of 40+ overall we are only competing with the other PSH applications, and everyone who scored higher than us is PSH too. There is only enough funding for 2-3 projects under PSH, so it is unlikely Swift Lane will be funded this round.

We could have applied in the Open category, but we would have lost all 34 of our PSH points, and would have been ranked 19<sup>th</sup> compared to others in the open round and we would not have been funded in that round either.

Due to the poor building conditions at WSH and Lower Platt, the next step is to begin the Section 18 Demolition/Disposition process with HUD. Unlike RAD, the Section 18 process does not provide project-based vouchers for the replacement apartments. In addition, I will need to strategize with Norstar about what the options are for future tax credit applications.

**C. Colonial Oaks (Main, Penn, Seventh, Colonial Platt):** no update

**D. Evelyn:** no update

### III. CITY/COUNTY/OTHER RELATIONS

**A. City Council Budget.** No update. Council has not adopted the budget yet.

**B. U-M Poverty Solutions Conference School of Social Work:** Andrea Plevak,- Executive Director of the Washtenaw County Office of Community and Economic Development, Carole McCabe - Executive Director of Avalon Housing and I presented a break-out session on homelessness and affordable housing in Washtenaw County.

### IV. FINANCIAL REPORT AND UPDATE

February 2017 Financials attached

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

No contracts to report

### VI. PERSONNEL

**A. Staffing:** Welcome to Nina Tsushima and Evangelina Vassallo who were both hired as Occupancy Specialists. Nina is working in the Voucher program and has many years of

experience with voucher and tax credit programs in the private sector, most recently at Fourmidable. Evagelina is working as a Waitlist Specialist and she has many years of experience as a leasing agent in the private sector, most recently with the Hayman Company. We are also happy to have Melissa D'Angelo back, who moved briefly to the Indianapolis Housing Authority and decided to come back to Ann Arbor. She will also be working as a Waitlist Specialist. The AAHC is now fully staffed.

- B. Training:** Terry Holman, Ulli Raak and Misty Hendershot took a Fair Housing Training through the Washtenaw County Apartment Association. Fadel Nabilsi, an Americorps Vista with Community Action Network, provided a training to all staff on "Working with Muslim Families". Fink and Fink provided a landlord-tenant training to Avalon and AAHC staff.

## **VII. OPERATIONS**

- A. Yardi:** We have hired a local consultant, who works in the housing industry, to assist with Yardi-related problem solving and reporting.
- B. Tax Credit Audits and Tax Returns:** Maple Tower and River Run audits are complete and the tax returns are near completion and will be on the May board agenda for review. The investor, NEF, decided not to do an audit for West Arbor for 2016 since the project was under construction and vacant most of the year, but the tax return will be completed for 2016.
- C. West Arbor Ribbon Cutting and Open House:** SAVE the date. June 1, 2017 from 2-5pm.