

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** August 15, 2018

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### I. FEDERAL

A. **Fiscal Year 2019:** No update

### II. STATE & LOCAL Partnerships:

- A. **Continuum of Care:** Three of Avalon's grants successfully transferred to Avalon as the grantee, so that the AAHC no longer has to administer these grants. We are in the process of transferring 4 Michigan Ability Partner (MAP) grants to MAP as well. Once those grants are transferred, the AAHC will only have 1 Continuum of Care grant left to administer this fiscal year.
- B. **University of Michigan Health Department:** Students have organized monthly health and wellness sessions for our residents at Baker Commons, including yoga, meditation and cooking classes. The Health Fair was well attended and appreciated by residents at Baker Commons last month.

### III. RAD REDEVELOPMENT

- A. **Swift Lane (White/State/Henry and Lower Platt):** Our developers at Norstar, attorney Rochelle Lento, and I are working with our investor and HUD to go through all the due diligence items so that we can close in October 2018. HUD issued a revision to the RAD regulations to allow RAD rents to be bundled with non-RAD PBV rents in order to increase the rent revenue for RAD deals so that they are more financially viable. We requested permission to bundle the RAD rents at Swift Lane with the AAHC PBV rents at West Washington and Oakwood. This will enable us to add \$700,000 in debt to the transaction instead of requesting \$700,000 in grant funding from the city's affordable housing fund. It will also reduce the rent collected from West Washington and Oakwood but both those properties have been fully renovated, do not have any debt, and will still have positive cash-flow.
- B. **Oakwood/W Washington:** The bid for exterior work at Oakwood was awarded to Michigan Hardscapes and work has commenced.
- C. **Broadway:** The bid for driveway work at Broadway was awarded to Sommerset Paving \$45,245. We currently have about \$50,000 in unrestricted fund balance at 1508 Broadway. Work was about to commence but we delayed moving forward because we had an emergency sewer collapse at 1508 Broadway. Tim Olivier is soliciting bids to completely replace all the sewer lines at 1508 including the vertical stacks to the apartments. The cost estimate is \$40,000 - \$50,000. Tim is getting the sewer and

stormwater lines at 1504 & 1506 Broadway video'd as well as a precaution. If the damage is extensive, we will not be able to fix it without doing a gut rehabilitation because we will have to cut open the concrete floors as well as all the walls and ceilings that the sewer lines run through.

We also know that we have been getting more leaks in the copper water pipes at Broadway. We can fix them as they leak but if we are going to open up all the walls to replace the sewer lines then we should also replace all the water lines. The estimated cost to do a gut rehab of 1508 Broadway's 8 apartments is about \$350,000. I requested \$100,000 from the City's Housing and Human Services Advisory Board, which they approved as a recommendation to City Council. I will be submitting the request to City Council at the first meeting in September. I also submitted an insurance claim for the collapsed sewer.

#### **IV. FINANCIAL REPORT AND UPDATE**

See Attached July 2018 Financial reports

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

\$45,245 Sommerset Paving for Broadway  
\$79,404 Michigan Hardscape for Oakwood

#### **VI. PERSONNEL**

**A. Staffing:** no update

**B. Training:** no update

#### **VII. OPERATIONS**

No update