

Housing Commission  
**SUMMARY**

**BACKGROUND:** To understand the multitude of services & activities performed by the AAHC, their activities were aggregated into "Business Units" for analytical purposes.

1. Public Housing - the group of properties owned & managed by AAHC waiting to be converted to RAD.
2. Affordable Housing - After RAD conversion properties are moved to and managed by this B.U.
3. Voucher (Section 8) - Manages the Voucher (Section 8) program to pay private landlords.
4. Cranbrook & Continuum of Care - administer support services funding and rent subsidies to non-profit & private landlords for formerly homeless &
5. Central Office - Administers the Family Self Sufficiency program, supportive services for tenants / community centers, & overall Housing Commission Finance & Administration.

Attached are 2 page summaries for each Business Unit.

**Households Served**

	Actual			Projected			FY2018	FY2019
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017		
	(households)	(households)	(households)	(households)	(households)	(households)	(households)	(households)
Public Housing	355	355	355	107	50	49	49	-
Affordable Housing	-	-	-	251	332	332	332	412
Voucher (Section 8) *	1,433	1,458	1,483	1,503	1,846	1,846	1,846	1,878
Cranbrook / Cont. of Care	288	288	288	251	296	206	206	206
Central Office	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,076</b>	<b>2,101</b>	<b>2,126</b>	<b>2,112</b>	<b>2,524</b>	<b>2,433</b>	<b>2,433</b>	<b>2,496</b>

\* Note: Voucher line includes the RAD converted units because rent subsidy paid from voucher program

**Net Income / (Loss)**

	Actual			Projected			FY2018	FY2019
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017		
	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)
Public Housing	\$ 54	\$ (220)	\$ 47	\$ (269)	\$ -	\$ (33)	\$ (60)	\$ -
Affordable Housing	-	-	-	-	192	163	163	265
Voucher (Section 8)	(770)	(1,004)	(108)	819	(139)	-	-	-
Cranbrook / Cont. of Care	41	72	30	-	43	(34)	(2)	(4)
Central Office	147	(116)	(27)	(257)	(2)	12	-	-
<b>Total</b>	<b>\$ (528)</b>	<b>\$ (1,268)</b>	<b>\$ (58)</b>	<b>\$ 293</b>	<b>\$ 94</b>	<b>\$ 108</b>	<b>\$ 101</b>	<b>\$ 261</b>

**Income (loss) per Unit**

	Actual			Projected				
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Public Housing	\$ 152	\$ (620)	\$ 132	\$ (2,514)	\$ -	\$ (673)	\$ (1,224)	\$ -
Affordable Housing				-	578	491	491	643
Voucher (Section 8)	\$ (537)	\$ (689)	\$ (73)	545	(75)	-	-	-
Cranbrook / Cont. of Care	\$ 142	\$ 250	\$ 104	-	145	(165)	(10)	(19)
Central Office								
<b>Total</b>	<b>\$ (254)</b>	<b>\$ (604)</b>	<b>\$ (27)</b>	<b>\$ 139</b>	<b>\$ 37</b>	<b>\$ 44</b>	<b>\$ 42</b>	<b>\$ 105</b>

**City Gen. Fund Subsidy**

	Actual			Projected				
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)
Public Housing	\$ 42	\$ 152	\$ 163	\$ 94	\$ 107	\$ 25	\$ 18	\$ -
Affordable Housing	-	-	-	-	-	-	-	-
Voucher (Section 8)	18	47	115	105	145	204	204	238
Cranbrook / Cont. of Care	-	-	-	-	-	-	-	-
Central Office	154	93	10	75	120	111	111	77
<b>Total</b>	<b>\$ 214</b>	<b>\$ 292</b>	<b>\$ 288</b>	<b>\$ 274</b>	<b>\$ 372</b>	<b>\$ 340</b>	<b>\$ 333</b>	<b>\$ 315</b>
Less Non-Recurring	<u>154</u>	<u>232</u>	<u>228</u>	<u>214</u>	<u>312</u>	<u>280</u>	<u>273</u>	<u>255</u>
<b>Recurring Subsidy</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 60</b>
Add: City GF subsidy for IT	122	122	127	127	228	227	227	227
<b>Total Recurring Subsidy</b>	<b>\$ 182</b>	<b>\$ 182</b>	<b>\$ 187</b>	<b>\$ 187</b>	<b>\$ 288</b>	<b>\$ 287</b>	<b>\$ 287</b>	<b>\$ 287</b>

**CONCLUSIONS:**

- After Public Housing is converted to Affordable Housing under the RAD program, the properties will be financially self-sustaining to operate and maintain the buildings. However, the remaining public housing properties are not self-sustaining to operate and will not be self-sustaining until they are no longer public housing.
- Approx. 25% of apartments are reserved for homeless & special needs households. Supportive services are needed to keep people housed and minimize the impact on maintenance costs. These services cannot be paid for as an operating line item in tax credit-funded projects. Services are a recurring funding need of about \$800k per year, \$60k of which has been

regularly provided by the City and the balance is currently from Continuum of Care, Mental Health funding, and through fund raising by non-profit service providers. The \$60K from the City is reported in Central Office and enables service providers to provide on-site services. Some of the service providers also receive funding through the Coordinated Funding process.

- The Voucher (Section 8) business is not adequately financially supported by HUD; thereby likely requiring some level of recurring outside financial support. The amount of support may be volatile from \$0 to \$240,000 per year largely depending on the varied level of HUD support. (Projected FY18 \$204k & FY19 \$238k)
- Managing the Continuum of Care is expected to be self-sustaining.
- Pay restructuring and progressions are nearly completed, and higher salaries are reflected in the FY18 & FY19 budgets

#### **POLICY QUESTIONS FOR CITY COUNCIL**

1. 3 out of 5 of the AAHC's remaining public housing properties are in poor condition and HUD is not providing sufficient capital funding to renovate the properties. The AAHC is leaving apartments vacant as tenants move out of Platt road, Henry street, and Broadway while the AAHC applies for Low Income Housing Tax Credits and other funds to redevelopment the remaining public housing properties under the RAD program. These properties will continue to have budget deficits until they are converted. Should local public funds be utilized to "plug the gap" until the properties are redeveloped with other funding sources?
2. HUD's Voucher (Section 8) program was initially, but is no longer, financially sustainable on its own. Should local public funds be utilized to "plug the gap"? If so, what is the best source?