

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** October, 2014

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### I. RAD REDEVELOPMENT

- A. FHLB Funding** – Both the River Run and Maple Tower projects were awarded \$500,000 from the Federal Home Loan Bank of Pittsburgh, with Chase Bank as our sponsor. That is great news for those projects to enable us to add more to the construction scope that was contingent on receiving additional funding.
- B. River Run & Maple Tower Renovations:** Norstar has started renovations at Baker Commons. All tenants from the 4<sup>th</sup> and 5<sup>th</sup> floor have been relocated either temporarily in other AAHC units or permanently with a Section 8 voucher. Renovations at Miller Manor will begin with the 7<sup>th</sup> floor on November 1<sup>st</sup>.
- C. N. Maple (West Arbor):** Based on the MSHDA published self-scores of all of the LIHTC applications, our application was very competitive and has a good chance of receiving funding. Norstar, Avalon and I will be meeting with MSHDA in November to answer questions about our application. MSHDA will announce the awards in January 2015.
- D. Lower Platt:** The Site Plan is tentatively scheduled to be on the November 5<sup>th</sup> (Wed) Planning Commission meeting in city council chambers.
- E. Colonial Oaks:** I am working with HUD, our attorney Rochelle Lento and Recap Real Estate advisors to convert Upper Platt, Main, Pennsylvania, and 7<sup>th</sup> to RAD PBV this calendar year to maximize the financial benefit during calendar year 2015. If we are able to convert prior to December 1, 2014, we will be able to receive RAD rents starting January 1, 2015 which are slightly higher than public housing rents and we will be able to receive RAD PBV administrative fees. The city attorney, Kevin McDonald is working with Rochelle Lento and HUD to do a lot split of our Main street property. The property was purchased jointly by the city and the AAHC and the city purchased the portion of the lot that is surrounded by Cranbrook Park and the AAHC purchased the portion that our housing units are on. Unfortunately, the property was not legally divided and separately deeded at the time of acquisition and this now needs to be remedied.
- F. Relocation:** About 60 households have moved with a voucher and about 20 households have moved to other AAHC owned units for temporary relocation. HUD has indicated that they will be doing an on-site monitoring of our relocation under RAD on a date to be determined.

### II. FINANCIAL REPORT AND UPDATE

This is the first financial report that anticipates the removal of Miller, Baker, Green-Baxter, Hikone and Maple Meadows from the East and West Public Housing AMPS. When

the budget was adopted in May 2014, we anticipated closing on these properties in August 2014 but we did not close until late September 2014. Consequently the budget and actual will not be in sync until we amend the budget. I do not recommend amending the budget until we convert the Upper Platt, 7<sup>th</sup>, Main and Penn properties to incorporate those changes as well.

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

Nothing to report

### **IV. PERSONNEL**

**A. Training** – All Voucher, Finance and Housing staff have received EIV security training which is required annually by HUD.

**B. Staffing** – The Maintenance Technician position was filled by Levi Clark, who worked previously providing maintenance at Zingermans. He is a welcome addition to the team. Kelly Frazier, our Waitlist Occupancy Specialist sadly had to resign in order to move back to Florida to take care of her father. Her position has been posted.

### **V. OPERATIONS**

**A. Maintenance** – The maintenance staff are now officially moved to the city's Industrial Road site. We are renting the space for just under \$1,000/month, all inclusive. A request for bids was submitted for the installation of ground source heat pumps at Main, Penn and Upper Platt. Unfortunately, even after extending the response date by several weeks, there was only one bid received because of the bonding requirements in our procurement policy. This process will need to be revisited.

**B. VASH Vouchers** – We were awarded 22 additional VASH vouchers for 2014.

**C. RAD Conversion Impact** – Staff are working out a lot of bugs while we convert River Run and Maple Tower to RAD PBV. All aspects of operations are impacted. Staff are putting in a lot of overtime hours to successfully make this transition.

The finance staff have been setting up new accounts with all of our vendors so that purchases can be tracked separately for the AAHC, Maple Tower and River Run. New accounts and budgets had to be set up to track the financials for Maple Tower and River Run.

Maintenance staff will need to track purchases and inventory usage by property so that it gets charged correctly to the LIHTC properties. Maintenance staff have also been spending a significant amount of time turning units to temporarily relocate tenants while their unit is being renovated. We are working with the Kiwanis to salvage any materials and appliances that we can when turning the units.

Housing staff must sign new leases and do new income certifications for all the existing tenants in these properties to ensure compliance with LIHTC regulations. The tenant's information needs to be migrated and updated in Yardi, our property management software. And updated information for every tenant must be submitted to both HUD and MSHDA.

Our Property Management Consultant, Premier Management, has started reviewing our files to make sure that we are 100% correct for our LIHTC income certifications.

**D. Section 3 tenant hiring** – We have a solid team of 6-8 tenants who have been regularly helping clean and turn units as tenants move out due to relocation. This has helped us tremendously in getting our units turned faster and we are helping tenants create a job history.

**E. Partnerships:** HUD issued a bonus Continuum of Care request for proposal. We partnered with Avalon Housing and the HARC (HIV AIDS Resource Center) to apply for \$650,000 in additional funding to house homeless households in our community. If awarded, these funds will help to keep the FUSE program running. FUSE is the partnership between local housing providers and health providers to house chronically homeless households who are high users of emergency room services.

## **VI. FOLLOW UP TO SEPTEMBER 2014 BOARD MEETING.**

Regarding lighting in the parking lot at Miller, Lance Mitchell indicated that there is a short in the underground wire for the light on the east side of the parking lot. When the parking lot is dug up during renovations, he will have an electrician take a look at it. He will also look into adding a light in the SE corner where the designated smoking area is. Finally, he will reset the timers for the lights on the NW side of the parking lot so they are on earlier, as it gets darker.