

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: July 19, 2017

I. FEDERAL

- A.** Congress adopted an Omnibus Spending Bill through the end of the FY17, which ends September 30, 2017. The House is proposing a \$483 million cut to the FY18 HUD budget and the president is proposing a \$7 billion cut in the HUD budget. The Senate has not released its budget proposal yet.
- B. CY17 HAP shortfall:** We are projecting approximately a \$200,000 shortfall in Voucher HAP funding for CY17. We will be meeting with HUD monthly to address the shortfall in order to apply for shortfall funding like we have done the last 2 years. The shortfall is related to 3 factors: timing of the RAD conversion leading to the underfunding of the RAD PBV units, underfunding of the VASH program, and higher than budgeted Family Self Sufficiency (FSS) escrow payments.

II. RAD REDEVELOPMENT

- A. West Arbor (N Maple):** Norstar Construction is completing landscaping and exterior building punch-list items. An Open House and ribbon-cutting ceremony occurred on June 1st from 3-5pm. The event was well-attended by residents and the community. All of the washer and dryers have been installed at West Arbor.
- B. Swift Lane (White/State/Henry and Lower Platt):** MSHDA notified us that we were not funded in the April 2017 round. The lowest scoring Permanent Supportive Housing project that was funded, scored 152 points and our self-score was 149 points. Lori Harris, Norstar Development, and I will look at the NOFA again and determine if there is a different approach we can take to increase our score for the October 2017 application. Norstar and architect David Esau are also looking at Broadway to determine what it would cost to renovate the property. There may be an opportunity to combine Broadway into the Swift Lane project. We are applying for \$650,000 in FHLB funds and \$800,000 in brownfield funds. The County is allocating \$425,000 in CDBG funds to the project.
- C. Colonial Oaks (Main, Penn, Seventh, Colonial Platt):** The exterior landscaping and driveway renovations at 7th have begun.
- D. Evelyn:** Scheduled to close with Habitat for Humanity July 18, 2017.

III. CITY/COUNTY/OTHER RELATIONS

- A. City Council Budget.** Council adopted the FY18 and reviewed the FY19 budgets which included the following amounts for the AAHC:

- a. \$60,000 recurring subsidy for supportive services in FY18 & FY19 which will pass-through to CAN, PNC and WCCMH.
- b. \$100,000 in recurring subsidy for HCV administrative funding to cover projected shortfall for FY18 and FY19
- c. \$105,000 for projected RAD-conversion related losses projected shortfall for FY18.
- d. \$40,000 to audit the HCV files for FY18 only
- e. Up to \$68,000 for support (if needed) to help fund additional projected HCV shortfall in FY18 & FY19

B. Washtenaw County Office of Community and Economic Development. Lee Meadow is serving on the Affirmatively Furthering Fair Housing (AFFH) subcommittee, which has met a couple times to draft the AFFH Plan. The subcommittee has identified 6-8 neighborhoods that have experienced significant housing changes in the last 10 years to try to understand the housing market in Washtenaw County and to identify policy recommendations to address inequity. A housing survey was developed by OCED for Washtenaw County residents. Weneshia Brand sent the survey to HCV tenants who do not live in Ann Arbor, emailed the survey to all our tenants and applicants that we have an email for, and a hard copy is available at the front desk and at community centers for our residents to complete.

C. City of Ann Arbor and Washtenaw County. The City and County hosted an equity training attended by City Council, County Commissioners and City and County management staff. The County and the City are considering adoption of an equity resolution that would require staff to evaluate the impact that new policies and budget decisions have on low-income and minority households, prior to adoption. Washtenaw County has approved adding a millage request to the November 2017 ballot to fund programs for people with mental illness within the County's criminal justice and mental health systems. Because the City of Ann Arbor provides its own police services, a portion of the millage would go to the City. Attached is the resolution adopted by City Council allocating 40% of those revenues (estimated to be about \$1 million/year) toward affordable housing.

D. City of Ann Arbor. The City is hosting an economic summit to discuss economic development issues including housing. Andrea Plevak, Director of the Office of Community and Economic Development of Washtenaw County, and I have been asked to speak at the summit about the challenges of and opportunities for developing affordable housing in the County.

IV. FINANCIAL REPORT AND UPDATE

June 2017 preliminary financials are attached. The final end-of-fiscal year financials for the AAHC will be provided after the initial audit is completed.

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

No contracts to report

VI. PERSONNEL

A. Staffing: Alissa Ellis, Occupancy Specialist for the HCV program has moved to Oregon. Melissa D'Angelo, Waitlist Occupancy Specialist is filling Alissa's position in the HCV

program, leaving a vacancy open for her waitlist position. Evangelina Vassalo is able to absorb the current caseload for the waitlist and port-ins, with the assistance of her supervisor, Weneshia Brand. We currently do not have enough new tenants in our programs to require 2 FTEs for the Waitlist Occupancy Specialist position, but we do have enough work to do in all our programs to fill an Occupancy Specialist FTE. This vacancy provides an opportunity to re-assess the work-load of all the Occupancy Specialists to determine if there is a better way to distribute the workload and refine the work-flow processes. The HCV, Affordable and Waitlist Occupancy Specialist staff are meeting with the Management team to discuss options and determine whether we should make a change.

- B. Training:** Congratulations to Maria Spencer, Voucher Occupancy Specialist, who completed a course on HQS Inspections and passed the certification test. Our consultant, Cyndi Stempien of Diamond Consulting, offers on-line assessments for the tax credit program. The initial assessment can help us to focus our training efforts on just the tax credit program components that we need additional training on. All of the Waitlist and Affordable staff will be taking the assessment.

VII. OPERATIONS

- A. Housing Choice Voucher Program:** Weneshia Brand is continuing to conduct the annual SEMAP evaluation of the HCV program. We are meeting with SOS staff to conduct a 1-year program evaluation of the PILOT termination prevention program. This program was funded for 2 years by Religious Action for Affordable Housing (RAAH) and Coordinated Funding (County, United Way, City, AA Community Foundation, and Knight Foundation). This evaluation will be critical to provide supporting documentation for future grant requests.
- B. Affordable Housing:** When there is a vacancy in an apartment that the AAHC has converted to project-based vouchers (PBV), the apartment is offered to a household on the public housing waitlist, based on the family size matching up to the number of bedrooms available. There are still several hundred small-sized families on our public housing waitlist, but very few families that require 3-5 bedrooms. Therefore, HUD requires the AAHC to open our waitlist for our PBV units to our other waitlists. The waitlist was opened to our existing waitlists for 3, 4 and 5 bedroom apartments and we received about 100 internal applications. Weneshia Brand is determining how many applications are eligible (i.e. was the applicant an existing waitlist family and is the family eligible for a 3-5 bedroom apartment based on the family size). The next step is to open the waitlist for our 3-5 bedroom PBV apartments to the public. Prior to opening the waitlist to the public, we will conduct training sessions for local non-profits so that they can help their clients apply.

MSHDA's file review resulted in no findings for Maple Tower and 1 finding for River Run. The finding was a tenant income certification that was missing the tenant's signature. This is an excellent result for the agency. The file finding was remedied and the finding was cleared.

- C. Maintenance:** MSHDA's physical inspection resulted in several minor findings for Maple Tower and River Run and 2 health and safety findings for River Run. The two findings were an exposed electrical panel in the basement at Baker Commons and a missing smoke detector, which tenants often remove when the battery runs out, rather than

contacting us to replace the battery. All of the findings were remedied except for 1. We are still waiting for an inspection report for the sprinkler system before we can send our response to MSHDA to have the findings cleared. All of the fire extinguishers and the fire alarm systems were also inspected. The greenhouse roof at Miller is getting replaced this month. Insight Design is analyzing the Oakwood property to determine how to remediate water infiltration issues through landscaping, regrading and rain gardens. Trees and bushes are getting trimmed at all properties that need it. The medical room at Miller Manor is under construction.