



Legislation Text

File #: 13-0754, Version: 2

Resolution to Amend the FY14 Budget to Provide Operating Support and Appropriate Funds to the Ann Arbor Housing Commission (\$382,000) **(8 Votes Required)**

The Ann Arbor Housing Commission’s public housing and voucher programs were significantly impacted by sequestration on top of a historical decline in funding for public housing programs. The impact of sequestration on the Commission’s public housing funding is over \$300,000/year less for operations and an estimated \$50,000 - \$75,000 less for capital funding. HUD has not announced the capital funding budget yet for 2013. The impact of sequestration on the voucher program is over \$200,000/year less in administrative fees and a reduction of about 80 vouchers.

	FY 12/13 Projected Year End	FY 13/14 Budget Projection
Revenue	\$3,970,000	\$3,360,000
Expense	\$3,955,000	\$3,742,000
Net Income	\$15,000	(\$382,000)

City Council’s approval of AAHC’s participation in federal Housing and Urban Development Agency’s Rental Assistance Demonstration program will help mitigate the impact of sequestration. Despite RAD, the AAHC is requesting financial assistance with the FY 14 operating budget.

On June 11, 2013, the Housing and Human Services Board has approved \$159,000 from the Ann Arbor Housing Trust Fund to the Commission for FY 14.

On June 12, 2013, AAHC requested assistance from the Ann Arbor Downtown Development Authority for \$223,000. The DDA’s Partnership Committee discussed the request and did not vote to recommend approval because the decision is a policy change requiring discussion by the full board. The DDA’s current policy is to fund capital costs not operating costs.

The Ann Arbor Housing Commission is requesting that the remaining \$223,000 be provided by the City. City Council is being asked to consider allocating the \$223,000 from the General Fund unassigned balance.

Whereas, The Ann Arbor Housing Commission’s public housing and voucher programs were significantly impacted by sequestration on top of a historical decline in funding for public housing programs;

Whereas, City Council’s approval of AAHC’s participation in federal Housing and Urban Development Agency’s Rental Assistance Demonstration program will help mitigate the impact of sequestration;

Whereas, On June 11, 2013, the Housing and Human Services Board has approved \$159,000 from the Ann Arbor Housing Trust Fund to the Commission for FY 14;

Whereas, On June 12, 2013, AAHC requested assistance from the Ann Arbor Downtown Development Authority for \$223,000. The DDA's Partnership Committee discussed the request and did not vote to recommend approval because the decision is a policy change requiring discussion by the full board. The DDA's current policy is to fund capital costs not operating costs;

Whereas, further operating expenditure reductions by the AAHC would impact services to residents;

Whereas, operating deficits for FY15 and FY16 are presently projected at \$209,000 and \$94,000 plus capital fund respectively in order to complete the RAD conversion.

Resolved, that up to \$382,000 be appropriated to the Ann Arbor Housing Commission to maintain a balanced FY 14 operating budget, with \$159,000 appropriated from the Ann Arbor Housing Trust Fund, and \$223,000 appropriated from the General Fund.

Sponsored by: Councilmember Briere