



Legislation Text

File #: 13-0666, Version: 1

~~Resolution for Supplemental One-Time Funding for Ann Arbor Housing Commission to Support Conversion to the Rental Assistance Demonstration (RAD) Program~~ **(8 Votes Required) (Deleted from agenda on 6/3/13)**

On January 9, 2013, Jennifer Hall, Executive Director, Ann Arbor Housing Commission presented to City Council a proposal to covert AAHC housing units to project-based vouchers . The federal Housing and Urban Development Agency's Rental Assistance Demonstration (RAD) Program leverages private capital to preserve public housing assets and offer residents choice and mobility. The AAHC will use RAD rents, RAD administrative fees, and tax credits to fund operations and maintain housing.

AAHC's public housing and Section 8 voucher programs were impacted by the sequestration. The impact is over \$300,000.00 per year for operations. Participation in RAD will reduce the sequestration's impact on the AAHC.

If City Council approves the RAD conversion on June 3, Jennifer Hall projects the AAHC will have an operating deficit in FY 14 of \$124,000.00.

HUD can limit the number of housing units converted in 2013. If AAHC is unable to convert all of the planned units in 2013, the budget impact increases by \$461,000 over FY 14, FY 15, and FY 16.

The Ann Arbor Housing Commission is requesting City financial assistance with the RAD conversion. For FY 14, the requested amount is \$124,000.00. In addition, AAHC is requesting up to \$461,000.00 be committed if HUD does not allow AAHC to convert all of the units planned for RAD.

Sponsored by: Councilmembers Briere and Teall

Whereas, federal sequestration has resulted in reduced program funding for the Ann Arbor Housing Commission (AAHC);

Whereas, RAD will stabilize AAHC's operating funds, including reducing the impact of the sequestration, and generate funds for AAHC's capital needs;

Whereas, AAHC has applied to the federal Housing and Urban Development agency to convert public housing to project-based vouchers under RAD;

Whereas, the City wishes to support the AAHC with the RAD program conversion process;

Whereas, HUD may limit the number of housing units AAHC converts to RAD in 2013;

Whereas, limiting the number of conversions to RAD will increase the AAHC's projected operating losses and capital needs in FY 14;

Whereas, limiting the number of conversions to RAD will increase the AAHC's projected operating

loss in FY 15, cause an operating loss in FY 16, and increase capital needs;

RESOLVED, the General Fund Community Development expenditure budget be increased by \$124,000.00 funded by a one-time use of fund balance to fund a transfer to the AAHC for FY 14 operating deficits;

RESOLVED, up to \$461,000.00 of General Fund reserves be committed for the purpose of supporting the AAHC's conversion to RAD.