City of Ann Arbor

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Legislation Text

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Resolution to Approve the FY17 Ann Arbor Housing Commission Agency-Wide Operating Budget

The Housing Commission's fiscal year begins July 1st and ends June 30th of each year; and the Commission has prepared an initial Ann Arbor Housing Commission operating budget for FY17 (July 1, 2016 thru June 30, 2017).

The FY17 Budget has several changes from previous year's budgets primarily due to the RAD conversion process. As properties convert from public housing to project-based vouchers, they are removed from the East and West AMPS as public housing units and moved to new cost centers based on their funding.

- Miller Manor and S. Maple (Maple Towers) are now a separate legal entity with a Jan - Dec budget which was previously approved by the AAHC board.
- Baker, Hikone and Green-Baxter (River Run) are now a separate legal entity with a Jan - Dec budget which was previously approved by the AAHC board.
- Main, Pennsylvania, Upper Platt and 7th (Colonial Oaks) are a separate legal entity in FY17 because they converted under RAD in July 2015. Because these are not LIHTC properties, they will continue to have a July to June fiscal year but as a separate legal entity, and are included in the AAHC's consolidated budget.
- N. Maple Estates and N. Maple Duplexes (West Arbor) converted under RAD in August of 2015 and is now a separate legal entity under the LIHTC regulations, with a Jan - Dec budget. The Board approved the West Arbor budget previously.
- The East and West AMPS will continue to track the properties that will not convert until FY17.
- The cash-flow from the LIHTC properties are restricted and not included in the net-income admin line item. Some of the cash-flow will go to the AAHC, however, not until the end of each tax credit fiscal year. After the audit is complete for these properties, the cash-flow will be distributed as agreed to in the development agreement with the equity investor.
- The Ann Arbor Housing Development Corporation is a separate legal entity from the AAHC and the AAHDC Board must adopt the AAHDC budget. HUD considers the AAHDC an affiliated business entity of the AAHC so it is included in the AAHC budget.
- 1508 Broadway is no longer public housing but continues to house low-income households and it is now tracked as a separate cost center
- New Platt was purchased for the redevelopment of the Lower Platt property. It is currently vacant and will be demolished when the Lower Platt property is approved for LIHTC financing.
- Garden was previously in the Turnkey III lease to ownership program. HUD discontinued the program. HUD must officially release the property from the program, but until then, the budget must be tracked separately from the other programs and the fund balance is restricted to the Garden property only.
- The Continuum of Care program is administered by the AAHC for non-profit grantees. Most of the funding is passed through to landlords and non-profits but the AAHC does receive an

administrative fee.

Jennifer Hall, Executive Director, Ann Arbor Housing Commission

WHEREAS, the Housing Commission's fiscal year begins July 1st and ends June 30th of each year; and

WHEREAS, the Commission has prepared an initial agency wide operating budget for FY17 (July 1, 2016 thru June 30, 2017); and

WHEREAS, the Commission staff is presenting this budget to the Board of Commissioners for its review prior to the start of FY 2017; and

WHEREAS, the Commission staff has prepared such budget by estimating revenues and expenses based on current year-to-date actual financial data for the previous 12 months, historical financial data, and project pro formas for the properties being converted under the RAD program; and

WHEREAS, the Commission staff will be preparing monthly agency wide financial reports for the Board comparing year-to-date actuals to budget and also intends to revise the budget as needed; and

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approve the Commission's Agency Wide FY17 operating budget as attached hereto.

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