



CITY OF ANN ARBOR, MICHIGAN

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ANN ARBOR HOUSING COMMISSION

Ann Arbor Housing Commission October 21, 2009 REGULAR BOARD MEETING MINUTES

The meeting took place in the AAHC Community Room, 727 Miller, Ann Arbor, MI 48103. Chairperson Alan Levy convened the meeting at 6:34 pm.

ROLL CALL:

Commissioners present: Alan Levy, James Jackson, Marta Manildi and Dwayne Seals and Deborah Gibson (excused absence)
Staff Present: Marge Novak, Nicholas Coquillard, Betsy Cornellier and Weneshia Brand
In Attendance: Monica Meyers

- I. **APPROVAL OF AGENDA** - The Agenda, Commissioner *Jackson* moved and Commissioner *Seals* supported. *Levy*: proposed to move Section B Item 1; above New Business. The agenda passed 4 Ayes 0 Nays.
- II. **PUBLIC COMMENTARY** – none
- III. **APPROVAL OF MINUTES – September 16, 2009:** Motion by *Manildi*; second by *Seals*. Minutes approved: 4-0
- IV. **NEW BUSINESS**

A. Resolutions

FY10-10: To Approve Revised Payment Standard for Section 8. Moved by *Jackson*, supported by *Manildi*. *Coquillard*: provides overview of background and chart; mentions HUD alternative to shortfall solution. Annually HUD reviews the fair market rents for distribution to PHA's; PHA's must set standards between 90-110%. Historically, the agency has maintained at 100%. Payments standards are effective one year from approval. *Seals*: inquires an explanation of the FMR effect on tenants.

Novak: explains HUD analysis on FMR. *Coquillard*: continues to explain enclosed charts. *Seals*: inquires the numbers of families affected and dollar amount the Commission would save. *Coquillard*: The current payment standards would not allow the agency financial capacity for additional lease up. *Seals*: inquires of percentage of rental increase. *Manildi*: mentions concerns of monetary impact on tenants. *Jackson*: mentions the possible landlord response to maintain tenancies, which increases the difficulty of determining a dollar for dollar impact. *Levy*: inquires of any notification requirements. *Coquillard*: notification at first recertification, however a mailing should be distributed prior to, for more advance notification. *Levy*: mentions draft letter; suggest surveying recipients for feedback. *Novak*: mentions prospective financial impact. *Seals*: inquires of payment standards from previous years compared to the Commission's financial position. *Levy*: the Board previously awarded payments at the highest level that the Commission could afford. *Seals*: inquires of overall impact. *Novak*: explains that the change would assist more people. *Levy*: practically it is that Board's decision to support lowest level income of participants. *Manildi*: inquires of actual percentage of impact. *Seals*: payment standard increase can be implemented as circumstances permit. *Levy*: request a longitude report for the past ten years. *Cornellier*: the agency is currently spending an estimated \$70K more than HUD is distributing. *Novak*: mentions time allotted for Board decision. *Levy*: clarifies understanding. *Seals*: request the staff complete a more thorough review for next year. *Levy*: request a discussion in more detail for future reports. Motion approve: 4-0.

FY10-11: To Approve Revised PH Utility Allowances. Motion by *Manildi*; supported by *Jackson*. *Brand*: explains the utility chart; the overall impact results in a decrease. The tenant rents will increase for all bed sizes with the exception of Miller Manor and the five bedroom units. Applicable tenant will receive a credit for three months as a result of the fluctuation utility cost. Motion approve: 4-0.

FY10-12: To Approve Change Order #3 for First Contracting. Motion by *Jackson*; supported by *Seals*. *Novak*: previous change orders were Board approved; memo provides detail regarding the additional change orders, part of the contract is charged to stimulus funds which should be at 100% allocation by March of 2010. Motion approve: 4-0

FY10-13: To Approve Contracts Amendments for Snow Removal Services (Ann Arbor Lawn & All-Around Lawn). Motioned by *Seals*; supported by *Manildi*. *Novak*: the contract was executed for FY09; this resolution requests renewal as stated in RFP. There were some concerns with A2 Lawn; Centala addressed the concerns and made recommendation. Motion approved: 4-0.

FY10-14: To Approve Tenant Account Receivables (TAR). Motioned by *Manildi*; supported by *Seals*. *Cornellier*: explains line items; mentions that the larger amount remains outstanding, therefore was referred to Freatman. Motioned approved: 4-0.

B. Presentations

- 1. Draft Audited FY09 Financials (Monica Meyers) –** *Novak:* provided introduction of firm and background. Unaudited financials were submitted to both HUD and City of Ann Arbor by their proposed deadlines. *Levy:* provided introduction of Commissioners and staff. *Meyers:* the audit was provided under appropriate regulations, independent from AAHC; mentions that AAHC was the most preferable Commission ever audited. There were findings for Low-Rent, however none for HCV. Provided overview of the summarized financial statement. *Seals:* inquired of HAP expenses. *Novak:* explained the voucher program leasing increased. *Levy:* inquires of the \$800K shortfall. *Cornellier:* explained that funds will be accounted in FY10. *Manildi:* inquires of a line item. *Meyers:* results from decrease in grant received for City of Ann Arbor. *Novak:* inquires of HAP. *Meyers:* explained the difference results from HUD cash allocations. *Seals:* inquires if the agency expects to see increase of funding from HUD. *Novak:* explains shortfall and lease-up; HUD forcing use of reserved funding as well as how reserve is accumulated. *Meyers:* explains narrative report. *Novak:* mentions the reserve developed from single family homes and will inquire of HUD how to utilize those funds. *Levy:* request that VASH is reported separately. *Meyers:* mentions final report will occur once pension information is received from City of Ann Arbor. *Novak:* mentions pension information will not be available until December; however financials are not due to HUD until March. *Manildi:* inquires if pension is a liability. *Meyers:* no, paid out monthly. *Meyers:* continues to summarize the narrative report. *Novak:* mentions that the finding for S8 and PH programs files was mentioned previously in August Board meeting. *Seals:* inquires page number of the single audit. *Meyers:* pages 32-34. *Manildi:* inquires of PH recertifications. *Novak:* due to staff transitions. *Manildi:* inquires of checklist and protocols. *Levy:* confirms that there is no notable concern regarding finance. *Meyers:* confers proper controls are in place. *Seals:* inquires of additional documentation or any other outside concerns. *Meyers:* confers that there are not additional concerns and inquires of Commissioners awareness of fraud. *Levy:* the Board is not aware of any fraud. *Novak:* inquires if final audit should be presented to Board. *Meyers:* no, however there is an additional document that will require ED and Board signature. *Levy:* request to review the final report prior to submission. *Levy:* expresses appreciation.
- 2. FY 2010 Budget and 1st Quarter 2010 Financials (Betsy Cornellier).** *Cornellier:* provides an overview. *Novak:* mentions that expenses will be reviewed as soon as possible; S8 finances are estimates. VASH column is separated; reserves are now being reported and mention a desire to leverage funds. *Seals:* inquires of leveraging reserves. *Novak:* combining reserves and receiving match funds. *Seals:* inquires of expenses to VASH. *Cornellier:* explains restrictions and lack of allocations. *Novak:* explains reserve accounts. *Cornellier:* explains reports (HCV, PH East, PH West). *Seals:* inquires of HCV deficit. *Cornellier:* explains HUD decision for force down reserves and reduces HAP allocations. *Novak:* explains in more detail the HUD allocation and

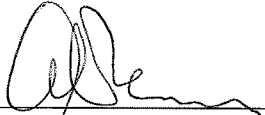
reserve utilization. *Levy*: inquires of if the Commission has any concerns. *Cornellier*: responds no concerns; need more time to evaluate actual position regarding HCV. *Novak*: all staff participated in broadcast of HUD explanation of funding distribution. *Cornellier*: confers maintenance of budget should stabilize once leasing is confirmed.

V. **COMMISSION STAFF REPORTS**

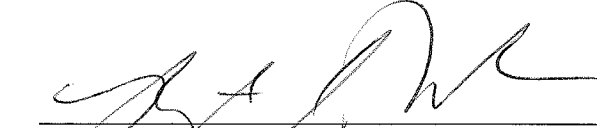
- A. Interim Executive Director – *Novak*: HUD recognized shortfall error and deposited funds. SEMAP scores higher (79%), however still Troubled due to last year's results. The agency Section 3 reporting is currently non-compliant (explains program). Mentions joint meeting with Grand Rapids HA organized by consultants. PH Waitlist closed Friday, October 16, 2009. REAC inspections occurring October 27th. Construction continues from First Contracting; reviewing physical needs assessments. *Levy*: mentions a special meeting may be required prior to regular November meeting and scheduling of spring retreat to discuss various items such as leveraging funds.
- B. Financial Manager – as submitted; no comments or questions.
- C. Interim Section 8 Report – as submitted; no comments or questions
- D. Interim PH-West – as submitted; no comments or questions.
- E. Interim PH-East – as submitted; no comments or questions.
- F. Security Reports – as submitted; no comments or questions.

VI. **ADDITIONAL PUBLIC COMMENTARY** : *None*

VII. **ADJOURNMENT**: at 9:07 Motion by *Seals*; supported by *Manildi*. Approved: 3-0.



Alan Levy, Chair



Marge Novak, Interim Recording Secretary