



# CITY OF ANN ARBOR, MICHIGAN

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## ANN ARBOR HOUSING COMMISSION

### Ann Arbor Housing Commission

October 20, 2010

#### REGULAR BOARD MEETING

#### MINUTES

The meeting took place at Baker Commons (Community Room) located at 106 Packard Street in Ann Arbor, MI 48104. President Miller convened the meeting at 6:15 pm. President Miller provided instruction regarding the process for providing public commentary to those in attendance and informed those present of the Commission's rotational schedule of meetings intended to make it easier to hear from residents at the different sites and to provide Commissioners an opportunity to visit the different sites. Commissioners introduced themselves.

#### ROLL CALL:

Commissioners present: Jayne Miller, Ronald Woods, Sasha Womble, Marta Manildi

Commissioners absent: Mark McDonald

Staff Present: Marge Novak (Exec. Dir), Nick Coquillard (Dep. Dir.), Betsy Cornellier (Financial Manager)

In Attendance: Monica Moore (AAHC Staff), Joan Doughty (CAN). In addition, approximately 10 residents attended.

I. APPROVAL OF AGENDA – Commissioner *Woods* moved and Commissioner *Womble* supported. The agenda was approved 3-0 (Manildi was not yet present for the vote, arrived at 6:40 pm).

#### II. PUBLIC COMMENTARY

A. Resident Organizations – none.

B. Others Requesting to Speak – *Ms. Chatman*: Identified herself as a resident of the Commission's South Seventh public housing site. Raised a concern regarding the unsatisfactory condition of the sidewalk at her site and inquiring of when it would be addressed. She raised a concern regarding her neighbor smoking recreational drugs. Informed the Commission of a story she saw in the Detroit News about the Indianapolis

PHA regarding pre-admittance drug testing of public housing tenants and their agreement to sign a document before being admitted, and recommending that the AAHC look into this. *Mr. Vitagliano*: Identified himself as a resident of the Commission's West Washington public housing site. Stated that he had hired an attorney to pursue a lawsuit against the Commission regarding the wrongful destruction of property that he had located in storage in the basement of West Washington. He informed the Commissioners that he was advised by his attorney to record his comments at this meeting, and proceeded to display his phone which was apparently being used as a recording device. *Mr. Vitagliano* stated that it took a long period of time for the Commission to dry and clean the basement area after a water heater leak which resulted in mold, and also stated that a contractor hired by the Commission discarded his belongings that were in his storage area and which were damaged by the water leak. He stated that the Commission staff said this was an "act of god." *Mr. Vitagliano* stated that he tried to talk to *Ms. Novak* and was rudely ejected from her office. He handed out copies of sections of his lease to the Commissioners and staff present. He also stated that he has contacted the Ann Arbor Observer. He informed the Commissioners that he would like to solve the problem and prefers to work something out rather than use an attorney. He stated that he cannot work with management and that is why he came to the Board. *Ms. Jones*: Identified herself as a resident of the Commission's Hikone public housing site. She complained of too many cats on the property defecating in the children's sandbox area and that residents with cats were not complying with the Commission's pet policy. She would like to see that such pet policy is enforced and that such cats are registered, immunized and kept in their homes. *Ms. Doughty (Exec. Dir. Of CAN)*: Added to *Ms. Jones*' comments that the cats are also defecating in the community vegetable garden area. Provided a handout to Commissioners which included photos from the Betsy Lindsley Greenhouse Opening Event. Discussed the use of milestones and performance measures for the Community Action Network programs at Hikone and Green Baxter Court and requested that the Commission allow the usage of the same performance targets used by the Office of Community Development. She reviewed statistics and matrixes included in the handout, including several measurable outcomes of the CAN Programs at Hikone and Green Baxter Court. *Ms. Miller*: Identified herself as a resident of the Commission's Baker Commons public housing site and a member of the Baker Commons Resident Council. She informed the Board that one apartment at Baker Commons had been treated for bed bugs and that such treatment failed and inquired if HUD would be treating the entire building for beg bugs. *Mr. Morgan*: Stated that he did not receive new windows for his unit yet and is inquiring of when the windows will be replaced. He stated that he has purchased materials to work on his windows and would begin that process.

**III. APPROVAL OF MINUTES - Regular Board Minutes – September 15, 2010** Moved by *Woods*; supported by *Womble*. Minutes approved: 4-0 (Manildi now present).

#### IV. NEW BUSINESS

##### A. Resolutions

1. **FY11-11: To Approve Revised Agency Wide FY11 Operating Budget** – Moved by *Manildi*, supported by *Womble*. Staff provided the Commissioners with a legal sized handout of the revised FY11 Operating Budget showing changes from the original budget in red. The Commission's Financial Manager reviewed this handout explaining those items that had been modified. Ms. Novak then reviewed with the Commissioners a document included with the resolution which showed a comparison of the original FY11 Operating Budget and the Revised FY11 Budget presented and provided an explanation for such changes. *Miller*: Inquired of the overall impact of the changes on the FY11 Budget – better or worse. *Novak*: Responded that the overall impact is much better, as instead of deficits projected in both public housing east and west as well as Section 8 that needed to be covered by other sources, including reserves, that the current budget projects a deficit only in the Section 8 Program. *Manildi*: Asked for clarification regarding the offsets to deficits and reserve amounts, which Ms. Novak provided. Approved: 4-0.
2. **FY11-12: To Approve Tenant Account Receivables (TAR) Write-Off** – Moved by *Manildi*, supported by *Woods*. The Commission's Financial Manager provided a brief overview of the resolution for the Commission's quarterly write-off which represented uncollectable amounts from three prior tenants – two newer move-outs and one from several years ago. Approved: 4-0.
3. **FY11-13: To Approve the Continued Use of FY 2010 Section 8 Payment Standards in FY 2011** - Moved by *Woods*, supported by *Womble*. *Coquillard*: Provided detailed overview and background on the resolution. He informed the Commissioners that HUD establishes Fair Market Rents annually, and that the most recent FY2011 rents were set in October 2010. The Commission is required to review its Section 8 Payment Standards annually as compared to the HUD Fair Market Rent levels. Such Standards must be within a range of 90% to 110% of the Fair Market Rents in effect for the Commission's defined programmatic geographic area. The Commission last amended its Section 8 Payment Standards in October 2009, which was the first time in a three-year period. At that time, the Standards were reduced to be consistent with the market. In 2009, staff conducted a full analysis of the recommended change and its impact on Section 8 participants. The 2009 Standards were approved in October 2009 and effective in December 2009. The FY2011 Fair Market Rents show very little change from the current rent levels. As such, staff recommends maintaining the current Section 8 Payment Standards which appear to be in line with the current market. Approved 4-0.

4. **FY11-14: To Approve Revisions to the Section 8 Administrative Plan in Chapter 7 – Verification Procedures and Chapter 13 – Portability: Initial Lease Up and Moves with Continued Assistance** – Moved by *Manildi*, supported by *Womble*. *Coquillard*: Provided a detailed overview of the resolution, first stating that the Section 8 Administrative Plan is a fluid document that is regularly modified based on HUD regulatory changes and changes in the Commission's business operations. Mr. Coquillard described the HUD EIV (Enterprise Income Verification) recommended changes as a guide to Section 8 staff for the verification of Section 8 participants' incomes. This change essentially incorporates the EIV requirements into the Commission's Section 8 Administrative Plan. This is the first of many more EIV changes to be included in the Plan. *Woods*: Inquired of the source of third party verifications included in the EIV System. *Coquillard*: Clarified that HUD pulls from a number of different national databases, such as the Social Security Administration. *Coquillard*: Reviewed a second modification to the S8 Administrative Plan clarifying that residents are prohibited from moving within the first twelve month period and restricting such moves annually to the time of the resident's annual recertification. This has become an administrative burden to the Commission, as approximately 30% of Section 8 tenants last year desired to move within less than a one-year period. PHAs have the authority to place restrictions on the time period allowed for resident moves. *Miller*: Asked for confirmation that while this limits the ability for participants to move, staff is not precluded from allowing a move if circumstances are warranted, and is this how the staff intends to implement this provision. *Coquillard*: Confirmed Miller's statement as correct. *Manildi*: Inquired of how the Commission will inform Section 8 participants of this change. *Coquillard*: Responded that an update letter to participants can be mailed and that participants can also be reminded at the time of their annual recertification. Approved 4-0.
5. **FY11-15: To Approve a Revision to Public Housing Utility Allowances** - Moved by *Womble* supported by *Woods*. *Coquillard*: Provided a detailed overview of the resolution. Under the public housing program, residents generally pay no more than 30% of their income in the form of rent plus utilities. As such, utility allowances are established and reviewed annually to ensure that they are reflective of current utility rates. If utility rates change to the extent that utility allowances are impacted by 10% or more, a PHA must modify its utility allowances. The Commission analyzed the most current rates for gas and electric which are utilities paid for by many of its public housing tenants (the Commission pays water and sewer bills). The review results in a recommendation to modify the Commission's utility allowances only for its five-bedroom units and for units at Baker Commons, due to the utility rate changes. All other utility allowances will be unchanged. Approved 4-0.

## **B. Presentation:**

**1. Finance (Financial Manager):** *Cornellier:* Reviewed the Commission's year-to-date financials covering July 1, 2010 thru September 30, 2010. Ms. Cornellier highlighted several items within this first quarter's financials comparing actual to budgeted figures. Central Office management fee is down due to vacancies as fee can be collected only on leased-up units. Timing of Section 8 administrative fee funding is getting more closely tied to current actual data. Legal expenses exceed budgeted amounts. *Manildi:* Inquires if this is due to evictions or non-payments. *Novak:* Clarifies that it is a mix of both. Outside council is currently working on a number of non-payment cases as well as evictions for other reasons. Electric costs for Baker Commons also appear significantly higher than for the same period last year. Staff will follow up on this to better determine the cause. Maintenance costs are down somewhat because staff are utilizing existing maintenance supply inventories rather than purchasing new. Outside contract costs are being more closely analyzed by separating out those that are more fixed vs. those that are more variable. *Miller:* Suggests that the Commission ensure it is tracking not only those maintenance costs which are outsourced, but in-house maintenance costs as well in order to get a full picture of the costs to turn units and to compare the two. *Miller:* Inquires of the Financial Manager how she believes the Commission is doing financially now as compared to a year ago. *Cornellier:* Responds that we have a much better handle on the budget now and that the Commission is in much better financial condition now with more reserves available for future years. Monthly meetings are being held with the program managers and they seem to have a much better understanding of their budgets, they are taking more responsibility for their budgets and they are providing more input. They have a better understanding of how their actions and decisions impact the budget. All of the managers seem to have a much better understanding of their program's finances. More work is to be done in the Section 8 Program as VMS (HUD's reporting system for Section 8 lease-up activities) is critical and complicated. Balancing is needed to ensure sufficient HAP utilization for SEMAP scoring, while staying within budget means and also maximizing administrative fees. *Miller:* Inquires of how Ms. Cornellier feels about her personal workload. *Cornellier:* Responds that her new accounting assistant is a great help who is wonderful with residents and who has excellent computer skills. This has made a difference. *Novak:* States that there are still additional needs in this area and that if future budgets allow for it, additional staff would be added to the finance and technology areas.

**C. Board of Commissioners Discussion:** *Miller:* Had several announcements and items to cover. She first announced that she has accepted a position in Minneapolis and will be transitioning to move there in November and December of this year. She intends to continue to work with the Commission, however, meeting times conflict and she will prioritize her attendance at the Commission's strategy session. Commissioners Manildi and Woods complimented President Miller for her tremendous leadership, knowledge and understanding of City relationships. *Miller:* Stated that she would like a discussion

item to be added to the November 3<sup>rd</sup> Strategy Meeting agenda regarding her transition and replacement. She is currently working with City Council to find a replacement with similar skill sets. *Miller*: Inquires of Commissioners Manildi and Woods of the status of the bylaw revisions. *Manildi*: indicates that they have a draft redline of suggested changes and wants to obtain input from the City Attorney's Office and hopes to include the draft bylaws in the November Board packet for consideration. *Miller*: Announced to those present that the Board will be holding a Special Board Meeting on Wednesday November 3, 2010 from 5:30 to 7:30pm at Miller Manor. A draft agenda for such meeting was handed out at the October Board Meeting and President Miller requested that the Commissioners review the draft agenda and provide comments back, and reminded the Commissioners to review the Operational Needs Assessment prior to the November 3<sup>rd</sup> meeting. She reviewed briefly the draft outline whereby staff has been asked to prepare one-page overviews of each program and to provide a 5-10 minute presentation in order to provide a framework for the Commissioners' discussion. She suggested that the Board should meet one or two times per year to do strategic planning. *Manildi*: Recommended including in the strategic planning packet of information the original listing of strategic planning topics developed by the Board during the orientation. *Miller*: Suggested that the Board meet with City Council after it sets its strategic plan. She also suggested adding to the regular November Board agenda a discussion item regarding the Commission's outside legal assistance. *Woods*: Requests the Staff to follow up on the concerns raised by residents during the public commentary period. *Womble*: Announces that she intends to move out of public housing in January or February of 2011 and can no longer be a Resident Commissioner. *Novak*: Provided an overview of the application process for selection of the Resident Commissioner that was used in April and recommends using the same process again.

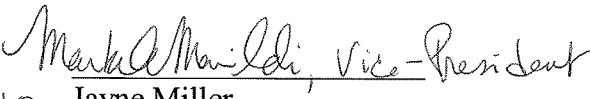
V. **COMMISSION STAFF REPORTS for September 2010**

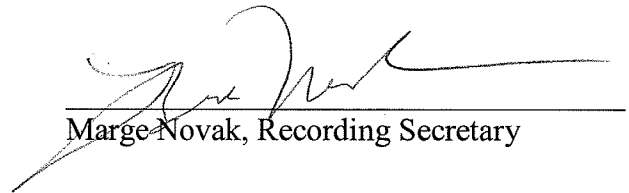
- a. Executive Director – *Novak*: highlighted a number of items included in the E.D. Memo, including: review of the Commission's FY09 PHAS Score, focusing on the Commission's Physical Score which did not receive a passing grade. The Commission will be working with the Detroit HUD Office to develop a strategy and performance targets to increase the Commission's Physical score. HUD will initiate an MOA to be executed by the Commission. Draft Audit will be presented to the Board in November or December after retirement information is available. The Commission received a Low Loss Award from its insurance company, the Housing Authority Insurance Group for low general liability losses for the years 2006 thru 2008. Brief update provided on unit turns. Fire safety training being held at Miller Manor and Baker Commons. Landscaping at South and North Maple looking great. *Miller*: Inquired of South Maple security cameras. *Novak*: All camera parts have been delivered, setting up installation date and need some electrical work done as well.
- b. Financial Manager –as submitted; no comments or questions.

- c. Section 8 Report – as submitted; Coquillard pointed out to the Commissioners that a new format has been presented which reflects the SEMAP indicators.
- d. PH-West – as submitted; no comments or questions.
- e. PH-East – as submitted; no comments or questions.
- f. Security Report – as submitted; no comments or questions.

**VI. ADDITIONAL PUBLIC COMMENTARY :** *Mr. Pierce:* Identified himself as a new resident of the Commission’s Baker Commons public housing site, and also a member of the WCHO Board. He suggested that the Commission consider developing better documentation for residents with regards to the recertification process; something that lists the steps in the recertification process because many consumers do not fully understand the process. He also suggested providing better documentation regarding the rent calculation during the recertification process. He stated that staff was evasive in providing information during the recertification process and Inquired if a Section 8 participant would lose their voucher if they moved into public housing or Project Based Section 8 housing. *Ms. Chatman:* Stated that there was an issue with maintenance requests not getting into the system. She commented on legal expenses and the need for staff to be more sensitive to persons’ disabilities and mentioned that she was escrowing her rent until her items were fixed. *Mr. Vitagliano:* Showed the Commissioners photos on his phone of the damage to the West Washington basement and reiterated his earlier point that he would like to settle and solve the problem or else he will bring a lawsuit. *Mr. Morgan:* Reiterated that he intends to work on his windows and requested that a letter be sent to him indicating when his windows will be replaced.

**VII. ADJOURNMENT:** at 8:25 pm. Moved by *Woods*, supported by *Womble*. Approved: 4-0.

*acting for*  Mark M. Maldi, Vice-President  
Jayne Miller

  
Marge Novak, Recording Secretary