

MEMORANDUM

**TO: Board of Commissioners
Ann Arbor Housing Commission**

FROM: Jennifer Hall, Executive Director

DATE: May 15, 2024

I. FEDERAL

- A. HUD announced that it has awarded \$5.5 billion to 1,200 communities through more than 2,400 grants. The funding will go to states, urban counties, insular areas, and localities across the country. These grants provide funding for activities including affordable housing, community development, and homeless assistance. The grants are provided through the following HUD programs: Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons With HIV/AIDS (HOPWA), Emergency Solutions Grants (ESG), Recovery Housing Program (RHP), and Housing Trust Fund (HTF). Washtenaw County was awarded \$2,172,792 for CDBG, \$1,186,993 for HOME, and \$192,143 ESG funding.
- B. HUD published a final rule that amends HUD's regulations to implement changes made by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) to the Housing Choice Voucher (HCV) and the Project-Based Voucher (PBV) programs. Additionally, HUD has also included additional regulatory changes intended to reduce the burden on PHAs, by either modifying requirements or simplifying and clarifying existing regulatory language. The changes to the final rule must be adopted by the PHA no later than June 5, 2025 however, the following rules are effective June 6, 2024 for implementation: PHAs may use small area fair market rents (SAFMRs) in a nonmetropolitan area, clarification of requirements to the PHAs 5-year and annual plans, revision of existing definitions and add new definitions, revises the requirements for the PHA administrative plan.
- C. AAHC submitted a waiver to HUD to increase our RAD rents up to the same level paid for our non-RAD PBV units. Although, the request has yet to be approved, we received confirmation that it's in the review process. The waiver request includes all of our RAD converted properties. If HUD approves all the properties, the annual rent revenue could be increased up to \$2.2 million. This would cover all future renovation needs as well as staffing and other operational needs.
- D. HUD awarded the AAHC \$725,622 in Housing Assistance Payments (HAP) and \$13,200 in administrative fees to administer 66 vouchers at Charring Square in Monroe. AAHC is ready to enter into project-based voucher contract for 47 units and will add 19 upon unit turnover to fulfill the total contract of 66 vouchers.

- A. HUD has approved funding for the MTW Voucher program at 99.5% proration for 2024. Although, proration reduced from 100% in 2023, the funding to operate this calendar year increased to \$20,558,134.

II. STATE & LOCAL Partnerships:

- A. **City of Ann Arbor Sustainability Department:** Green Baxter Court received a \$180,000 grant to turn the GBC Community Center into a resilience hub. The grant application was submitted in collaboration with the Sustainability department. The grant specifically focuses on increasing the resilience of frontline and underserved populations that are particularly vulnerable to climate impacts.
- B. **Forth Mobility:** The Electric Vehicle chargers have been installed at Baker Commons through a federal grant. An electric vehicle will be delivered in May and the AAHC will be partnering with Avalon, which is also receiving electric vehicles, and Forth to launch the program. These vehicles will be available for our residents to lease at a low rate.

III. DEVELOPMENT

- A. **121 E. Catherine:** We held the ground-breaking ceremony April 15, 2024. The event was well attended by local residents, city officials, agency partners, funders, and staff. An early closing occurred with our funding partners so that construction can begin prior to the full closing with our construction lender in July. Geothermal installation began last week. City Council will be considering bond financing for Catherine at the May 20th Council meeting. MSHDA approved a tax credit exchange that will extend our construction deadline to 2026 instead of 2025.
- B. **350 S. 5th:** Architects are being interviewed.
- C. **2000 S. Industrial:** No update
- D. **1510 E. Stadium:** No update
- E. **721 N Main/123 W. Summit:** City Council approved the sale of the property to the Ann Arbor Housing Development Corporation for \$44,000 on March 18th, 2024. A Phase I and Phase II are underway and will be completed prior to acquisition.
- F. **404 N Ashley:** Both Interfaith Hospitality Network (IHN) and the Shelter Association of Washtenaw County (SAWC) have moved their administrative offices to the building, to free up space in their shelters.

IV. FINANCIAL REPORT AND UPDATE

April 2024 financials are included

V. PROCUREMENT ACTIVITIES BEYOND (\$25,000+)

\$36,730 Ann Arbor Lawn Care Colonial Oaks
\$26,980 Ann Arbor Lawn Care River Run
\$164,500 Done Rite Baker Commons Fire Repair

A Request for Proposal to install fire suppression at Baker Commons was issued and is posted on the website

VI. PERSONNEL

- A. **Staffing:** Welcome to Jabari O’Neal, who was hired as a Facility and Maintenance Technician. Jabari was filled the prior maintenance technician vacancy in the facilities maintenance department. Property and Compliance Specialist, Maria Spencer, will retire in June 2024. Maria has worked with us for 18 years spending most of her tenure in the HCV department. Bonnie Miller, FSS Coordinator has left the agency to enjoy her retirement. Bonnie has worked as the FSS Coordinator for 6 years. The FSS Coordinator position is posted.
- B. **Progressions:** Angela Killom is currently receiving training to complete her level 5 progression. Terrance Heiligh is scheduled for progressing to level 2.
- C. **Training:** Affordable staff are schedule to complete a two-day HOTMA training specifically related to our LIHTC properties to ensure the operations and program compliance. Jabari O Neal is attending CAMT training.

VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 231/251 vouchers are leased. HUD’s goal is to have at least 82% leased up and the AAHC is at 92% leased up.
- B. **Family Unification Vouchers:** 31/32 vouchers are leased-up. 1 household from the waitlist has been issued a voucher and is currently searching for a unit. HUD’s national FUP lease-up is 80% and the AAHC is at 97%.
- C. **Emergency Housing Vouchers:** 27/29 vouchers are leased-up. 2 households ported and were absorbed by the other housing authority. We are currently seeking guidance from HUD to confirm if we can lease the 2 open vouchers because it is a time-limited voucher program.
- D. **VASH:** 204/237 vouchers are leased-up. 12 families are currently searching for units.
- E. **Voucher Program:** The waitlist staff continued to pull several hundred people from the waitlist over the last several months. AAHC is exempt from completing the annual SEMAP report due to our new designation as a MTW agency.
- D. **Homeownership:** No update
- E. **Moving To Work:** No update
- F. **Affordable Program:** The occupancy rate target is 95% or higher for LIHTC properties. As of today, the occupancy rate for each project is as follows; 87% Maple Tower, 93% River Run, 100% West Arbor, and 89% Swift Lane. Occupancy is currently

lower than our goal due to several factors: an unusually high number of deaths, fire and water damages at Baker Commons (River Run) and State Crossing (Swift Lane) and a high number of residents who moved out with tenant-based vouchers.

G. Maintenance:

- a. The common area of Miller Manor is getting new paint.
- b. The City of Ann Arbor is conducting its rental inspections of all AAHC properties, which is required every 2.5 years.
- c. Broadway relocation is underway to enable major renovations to occur. A Request for Proposal will be issued in May 2024.
- d. Lurie Terrace front lawn design options to create accessible paths to the sidewalk on Huron are completed and are being shared with residents to get feedback on the final design. We are exploring adding ground mounted solar instead of roof mounted due to the challenges of adding roof mounted solar panels (wind, octagonal shape).