

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: July 19, 2016

I. FEDERAL

A. HUD is now projecting that the AAC will have a HAP (rent subsidy) shortfall of just \$124,000 through December 31, 2016. HUD allocated \$258,051 in additional set-aside funds to the AAHC. The AAHC received \$105,896 for “unforeseen circumstance” (RAD conversion timing); \$14,953 for PORTS (tenants who transfer in or out of the AAHC program to or from another community); and \$137,202 for the VASH program (homeless veterans voucher program). SEE ATTACHED HUD NOTIFICATION AND 2-YEAR TOOL.

II. RAD REDEVELOPMENT

A. **River Run (Baker, GBC and Hikone) & Maple Tower (Miller and S. Maple) Renovations:** We compiled a report to show how many tenants were income eligible starting with September 2014, the date we converted from public housing to RAD Project Based Vouchers, through full occupancy in December 2015. This report was submitted to Redstone to determine the amount of additional tax credits River Run and Maple Tower are eligible to receive. Redstone must also review tenant files to confirm that these tenants are eligible prior to making this determination. Norstar is soliciting bids for site work, fencing, and patios at GBC, Hikone and Maple Meadows in anticipation of receiving these additional funds for construction. The audits for Maple Tower and River Run are not finalized yet. The audits have been delayed due to the additional tax credits that are being generated and a delay in getting the cost certifications completed.

B. **West Arbor (N Maple):** Construction underway.

C. **Swift Lane (White/State/Henry and Lower Platt):** MSHDA notified me that this project was NOT funded by MSHDA with Low Income Housing Tax Credits again. Less than 1/3 of applicants were funded. We requested a debriefing to find out our score and whether there are any items we can increase points for. The project received negative points due to construction costs that exceeded MSHDA caps. We will re-apply in the October 2016 round. Lance Mitchell is conducting building assessments of these properties to ensure that they maintain functionality while we are waiting for funding to demolish them. WSH currently has 19/28 apartments occupied and Lower Platt has 4/4 apartments occupied.

D. **Colonial Oaks (Main, Penn, Seventh, Colonial Platt):** Ten apartments are completely renovated and occupied by qualified tenants and 11 are under renovation. Major exterior renovations include new roofs at 7th and Upper Platt, new siding at Upper Platt, new exterior doors at all locations and driveway repairs and permeable pavers on at least 1/3 of the pavement at each site. The furnaces and hot water tanks are being replaced at the final

2 apartments at Seventh. The new accessible ramp is almost completed at Mallett's Creek.

III. CITY/COUNTY/OTHER RELATIONS

- A. Eastern Michigan University:** The Construction Management and Interior Design programs at EMU have completed the design and installation of a playground at Hillside Manor on Pennsylvania as a spring class, for credit. The families love the new playground. Check it out next time you are in the neighborhood.
- B. Continuum of Care:** The AAHC is the grantee (administrator) for 12 grants (with 10 non-profit subgrantees) for HUD Continuum of Care funds which provides vouchers and services for homeless households. The AAHC is the grantee because HUD previously required that a municipality or Housing Commission be the grantee for CoC funds. These CoC grants add \$4.5 million to the budget that the AAHC must administer, monitor and audit. CoC funds are passed through to landlords, like the voucher program, and paid to non-profits for support services. The AAHC does receive a modest administrative fee for being the grantee. HUD changed its regulations and now allows the nonprofits to be the grantee of their own grants. SOS, Avalon, MAP and Washtenaw County have all agreed to take over administration of some of these grants. Once this transition happens, it will be a great relief to the finance and administrative department. The AAHC will continue to be the grantee for the 3 CoC grants that the AAHC has partnered with Avalon Housing to provide housing and services at AAHC properties.
- C. City of Ann Arbor Information Technology Department.** The IT department has been meeting regularly with Weneshia and I to fix all remaining Yardi problems and to strategize on how to prevent future problems. One of the issues appears to be that the City automatically upgrades all the various software programs that it supports across the City and those upgrades may or may not be compatible with whatever version of Yardi the AAHC is currently using. Consequently, both Yardi and the City IT Department will continue to communicate prior to upgrades occurring and they may have to customize AAHC staff computers so that they are compatible with Yardi functions. In addition, IT will work very closely with the AAHC and Yardi on future Yardi upgrades to ensure a smoother process.

IV. FINANCIAL REPORT AND UPDATE

See attached June 2016 financials

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

\$86,760 with Chandler Metal Roofing to replace the roofs at S. Seventh and Upper Platt

VI. PERSONNEL

- A. Staffing:** 3 candidates were interviewed for the Director of Operations position (including 1 internal candidate) and HR is screening applications to set-up interviews for the Occupancy Specialist position.
- B. Training:** Teresa Calvert, Financial Analyst, completed a 3-day procurement training.

VII. OPERATIONS

- A. **Audit:** Smith and Klaczkiewicz were hired to conduct the annual AAHC audit, which will take place in August 2016. SEE ATTACHED ENGAGEMENT LETTER.
- B. **Housing Choice Voucher Program:** HUD's contractor, ICF International, completed a monitoring visit in June 2016 to determine the accuracy of the AAHC's billing for the HCV program. It could take several months to get the analysis back from HUD. The annual SEMAP process has started, which evaluates the regulatory compliance of the Voucher program. Taylor Housing Commission was hired to conduct the SEMAP.
- C. **Veterans Voucher Program (VASH):** The VA is partnering with the Monroe County Opportunity program to develop affordable rental housing for veterans in Monroe County. The VA has requested that the AAHC Project-Base eight VASH vouchers at the site. HUD has recently issued an RFP for project-based VASH vouchers that the VA and the AAHC will apply for together.
- D. **Affordable Housing:** Staff continue to work with Colonial Oaks tenants to relocate them during renovations. Tenants at Hikone, Green and Miller have been hired to water and maintain the new landscaping at these properties.
- E. **Family Self Sufficiency (FSS):** The FSS staff are continuing to market the FSS program to encourage tenants to join the program. They have held 4 new orientations this month.
- F. **Maintenance:** Trees were removed from Broadway. There is a manufacturing defect with the new A/C units at the family sites that Lance is following up on the warranty to correct it. The glue on the insulation inside the A/C compartment is so weak that the insulation is getting sucked into the A/C coils and causing the coils to freeze and stop working. We have had a ½ dozen A/C units break-down since they were installed out of about 90 that were installed. Lance continues to work with William in IT to get all the security cameras working at Hikone and Maple Meadows. Additional trees will need to be removed and the cameras repositioned at Hikone to maximize coverage.