MEMORANDUM

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

FROM: **Jennifer Hall, Executive Director**

DATE: **July 30, 2026**

I. FEDERAL

A. **Federal:**

B. **Capital Fund Program:**

C. **CY26 Budget:**

D. **Housing Assistance Payment Funding:** (SPT) notified the Ann Arbor Housing Commission (AAHC) that our PHA is projected to experience a Housing Assistance Payment (HAP) shortfall for Calendar Year 2026. HUD has categorized AAHC as a Group 2 PHA, marking the fifth confirmed shortfall since 2016. A shortfall occurs when Total Funding Available is insufficient to cover projected HAP expenses at year-end. HUD's determination was based on data from the HCV Two-Year Projection Tool (TYT). The initial TYT indicating the projected shortfall was provided to us, and staff have reviewed and complied with the required immediate actions outlined in PIH Notice 2026-12.

   HUD requires PHAs in our category to implement strict cost-saving measures and comply with program limitations. We have begun implementation to several cost savings measures. We have submitted letter from the Board Chair acknowledging the high risk of assistance termination if financial conditions worsen and outlining oversight measures to prevent future shortfalls.

   AAHC has complied with all instructions listed in the HUD notice. A meeting with HUD is scheduled for July 29, 2026, to confirm the actual projected shortfall amount, review our TYT data, discuss next steps regarding the Action Plan, determine whether an application for shortfall funding will be necessary, and if required, AAHC will submit a complete shortfall funding application by the HUD deadline.

   Staff are actively engaged with HUD and have already implemented the required restrictions and cost-saving measures. The July 29 meeting will provide clarity on the precise shortfall amount and confirm whether shortfall funding should be requested. The board will be promptly updated following that meeting, and staff will prepare the required Board Chair letter if shortfall funding is pursued.

STATE & LOCAL Partnerships:

A. **City of Ann Arbor:**

B. **Washtenaw County:**

II. DEVELOPMENT

A. **121 E. Catherine:** No Update

B. **350 S. 5th:** No Update

C. **2000 S. Industrial:** No update

D. **1510 E. Stadium:** No update

E. **721 N Main/123 W. Summit:** No update

F. **404 N Ashley:** No update

G. **Arbor South:** No Update

III. FINANCIAL REPORT AND UPDATE

- June financial reports attached

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

VI. PERSONNEL

A. **Staffing:** no update

B. **Progressions:** no update

C. **Training:** no update

VII. OPERATIONS

A. **Mainstream Non-Elderly Disabled Voucher Program**: 206/251 (82%) vouchers are leased. HUD's goal is to have at least 82% leased up. No new applicants from the waitlist can be pulled while the program is in shortfall.

B. **Family Unification Vouchers**: 27/32 (84%) vouchers are leased-up. AAHC works directly with DHHS for referrals.

C. **Emergency Housing Vouchers**: 24/24 (100%) vouchers are leased-up. HUD approved the AAHC's request to transfer EHV participants to the regular HCV voucher program when the EHV funding runs out, currently estimated to be in 2026.

D. **VASH:** 196/278 (71%) vouchers are leased-up. AAHC works directly with the Ann Arbor VAMC for referrals. The AAHC received 41 new VASH vouchers in December 2024.

E. **Foster Youth Initiative:** 6/6 (100%) vouchers are leased up. On October 8, 2024, we were awarded six (6) vouchers. HCV staff have begun to work with DHHS and Ozone House for referrals of eligible youth.

F. **Voucher Program**: All waitlists are closed except specialty vouchers FYI, FUP and VASH. Staff are working with Avalon, MHT, Related, and Lockwood to complete the due diligence for the PBV's awarded, including Environmental Reviews, Subsidy Layering review, and Rent Reasonable analysis. We have began to lease units with J29:7 from the last PBV RFP award; three families are housed and one family is completing the eligibility process.

D. **Homeownership:** 22 HCV Homeowners. One participant is scheduled for closing on July 30th.

E. Family Self-Sufficiency:

F. Moving To Work:

G. **Affordable Program:** The occupancy rate target is 95% or higher for LIHTC properties. For Calendar Year 2025, the occupancy rate for each project is as follows: 97% Occupied at Dunbar Tower, 95% Occupied at Swift Lane, 99% Occupied at West Arbor, 96% Occupied at River Run, 94% Occupied at Maple Tower. West Arbor was selected by MSHDA to complete the first monitoring of our supportive services program. HUD completed an NSPIRE physical inspection of Lurie Terrace, which passed with some identified maintenance items that had to be fixed, including GFCI outlets. All deficiencies have been fixed.

H. **Digitalization:** A cross-departmental committee was formed to continue to push for increased utilization of technology internally and externally. The group is working with program participants to utilize Yardi to make payments online, upload income certification information, and request work orders. Internally, efforts are focused on uploading documents to Yardi in lieu of keeping hard copies in long-term storage, using memo fields to document conversations and actions with program participants, cleaning up old data so that more accurate reports can be run in real time.

I. **Maintenance:**

i. Maintenance Technicians are working daily to keep up with daily operations, preventative maintenance and unit turns. 300+ work orders completed in the last month, 9 vacant turns to complete,
ii. Dunbar Tower -
iii. Creekside –
iv. Lurie –
v. West Arbor –
vi. Miller -
vii. GBC -
viii. State –
ix. Siller Terrace –
x. Hikone -
xi. River Run
xii. All properties -