

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** March 2015

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### I. FEDERAL

- A. **FY 15 HUD funding:** Congress has approved funding for the Voucher program. The Housing Assistance Payment (HAP) portion will be funded at 100% and the administrative fee will be funded at a 74% reimbursement rate. HUD has indicated that it will try to supplement the administrative fee allocation from Congress with other funds which could increase the reimbursement rate up to 79%. The Housing Commission was allocated HAP in the amount of \$9,053,067 for 1333 regular vouchers and 192 VASH vouchers. HUD's performance target for housing authorities is to lease up 98% of its vouchers or to utilize 98% of its HAP allocation. Due to the high cost rental market, AAHC has met this performance target by utilizing over 98% of the funding, not through leasing up 98% of its vouchers. As of December 2014, the AAHC had spent 100% of its 2014 funding allocation and had 1,230 regular vouchers leased up and 135 VASH vouchers for a total of 1,365 vouchers out of a possible 1,525 vouchers (89%).
- B. **New VASH vouchers:** The AAHC was allocated 26 new VASH vouchers for CY 2015, which is in addition to the 191 VASH vouchers mentioned above.
- C. **RAD vouchers:** The AAHC will also be allocated funding for 236 RAD vouchers for Maple Towers and River Run as well as administrative fees for these properties.

### II. RAD REDEVELOPMENT

- A. **River Run & Maple Tower Renovations:** The 3<sup>rd</sup> through 5<sup>th</sup> floor of Baker and the 6<sup>th</sup> through 7<sup>th</sup> floor of Miller are completely renovated and tenants have moved in. The 1<sup>st</sup> and 2<sup>nd</sup> floor of Baker and the 4<sup>th</sup> and 5<sup>th</sup> floor of Miller are currently being renovated. Construction is continuing on the replacement building for the building that burned down at Green-Baxter. Norstar will begin renovations at Hikone in April 2015.
- B. **N. Maple (West Arbor):** An application for \$950,000 in grant funds was submitted to the Federal Home Loan Bank of San Francisco with JP Morgan Chase as the banking sponsor. The grants will be awarded by May 2015.
- C. **Lower Platt:** no update.
- D. **White/State/Henry:** I attended a Planning Commission working session with the architect and developer to get initial feedback from the Planning Commission on the design. The plan was well received and the commission suggested we review the need for a driveway entrance off State street and to determine whether a pitched roof or flat roof was more feasible. They supported the parking plan, accessible and visitable units and liked the indoor bike racks. In addition, a public meeting was held with the neighborhood and only 2 neighbors attended. The feedback was generally positive but there was

concern about traffic and noise from the balconies. A second neighborhood meeting will be held in April, date and location TBD.

- E. Colonial Oaks (Main, Penn, Seventh, Colonial Platt, W. Washington):** An application for \$420,000 was submitted to the FHLB of Indianapolis with Chelsea Bank as the bank sponsor. HUD has not reviewed the final application yet due to HUD administrative issues having nothing to do with our project.
- F. Resident Meetings:** A relocation meeting was held with N. Maple residents on February 19, 2015 at Peace Neighborhood Center which was attended by 60% of the families. Families were given non-binding surveys to get a sense of who wants to relocate with a voucher and who wants to relocate to another AAHC property during construction. About 50% of the families are interested in a voucher and 50% in moving to AAHC properties. The official relocation cannot begin until HUD issues a RAD Conversion Commitment, which will likely be in April/May 2015.

### **III. CITY/COUNTY/OTHER RELATIONS**

- A. City Council:** I requested recurring operational funding from City Council in the amount of \$345,000/year for FY16 and FY17 at a City Council Working Session to cover supportive services, Congressional cuts to the administrative fees for the voucher program and increases in staff salaries. See attached documents submitted to Council. The response and support from City Council was favorable, particularly regarding equity pay for staff. However, it is unclear whether City Council will approve all or part of this request. The City Administrator will submit a budget to Council in April and City Council will be voting on a budget in May 2015. If City Council approves funding for pay equity, pay increases cannot take effect until the City and the Unions execute agreements on the pay structure.
- B. Avalon Housing:** Avalon will be the 24/7 front desk and service provider at Miller Manor. Apartments will be renovated and ready for homeless households to move into prior to the first floor office renovations being completed. Therefore, Avalon will be setting up temporary offices in the Miller lobby until permanent offices are available. I also hired Avalon to assist with the FHLB Indianapolis grant application submission.
- C. Ypsilanti Housing Commission:** AAHC is providing 5 vouchers to YHC tenants who are being displaced due to RAD conversion.

### **IV. FINANCIAL REPORT AND UPDATE**

See attached Financial Statement

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

None to report

### **VI. PERSONNEL**

- A. Staff Salary Surveys** – No update on the salary surveys, however, HR will be working with staff on AFSCME progressions. Currently the AFSCME and Teamster contracts base salary increases purely on longevity. Progressions are a way to build in salary

increases based on learning new skills and increasing competency.

## **VII. OPERATIONS**

- A. Maintenance:** Maintenance has completed clean and checks of furnaces and replaced furnace filters. Maintenance staff are regularly checking on vacant apartments to make sure windows and doors are secured and the heat is on so pipes do not freeze. The new elevators will be installed by Otis, and therefore the contract for elevator maintenance will be shifted to Otis from Schindler. Lance Mitchell is securing furnace and a/c replacement bids for Pennsylvania, Main, Colonial Platt and W. Washington to ensure that a/c is installed prior to the heat of the summer. Comstar is diagnosing the problems with the intercom systems at Baker and Miller so that tenants can buzz in guests from their rooms. An employee was rear-ended while in the AAHC vehicle and the vehicle needed extensive repairs. The employee was not injured and the other driver was 100% at fault. The vehicle has been repaired and is back in use. The 1-ton was also repaired and is back in use. Lance is getting quotes to clean around the tubs and drains at White/State/Henry which should help reduce sewer back-ups.
- B. Housing:** The initial acquisition income certifications for LIHTC compliance are done for River Run and there are 8 files with outstanding corrections for Maple Tower. Cyndi Stempien, the LIHTC consultant is working with property management staff to ensure 100% compliance with the post-rehab income certifications for LIHTC purposes.
- C. Housing Choice Voucher:** Weneshia Brand is working with Melissa D'Angelo, Waitlist Specialist, to figure out a way to track all of our new income and special needs targets in order to comply with LIHTC, VASH PBV, and FHLB funding. The AAHC issued Request for Proposal to Project-base up to 200 vouchers in the City of Ann Arbor. I am requesting that an AAHC board member volunteer to be on the evaluation team, which includes an EMU professor and the Executive Director of the County Office of Community and Economic Development, and 2 AAHC staff members.
- D. Finance and Administration:** Finance is completing an annual purge of files that need to be shredded in accordance with the AAHC's records keeping policy. The finance staff will no longer be sending out monthly rent statements to tenants starting in May 2015. It is not standard practice to provide monthly rent statements as a landlord. Tenants have a signed lease and their rent is fixed at a monthly rate. This policy will save thousands of dollars in mailing expenses each year as well as staff time. Tenants can contact AAHC staff at any time to find out if they have a balance.

## **VIII. FOLLOW UP TO FEBRUARY 2015 BOARD MEETING.**

Nothing to report