



ANN ARBOR HOUSING COMMISSION

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727 Miller Avenue • Ann Arbor, Michigan 48103

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Housing Voucher Financial Management Division,
Office of Public Housing and Voucher Program

July 13, 2026

Subject: Request for HAP Set-Aside Funding (Category 1: Prevention of Terminations Due to Insufficient Funding)

I am writing in my capacity as board president of the Ann Arbor Housing Commission (AAHC), a Moving to Work (MTW) Expansion Agency, to formally request shortfall Category 1 HAP set-aside funding as authorized under PIH Notice 2026-12 (Appendix C). This request is submitted to ensure that our agency can prevent the termination of rental assistance for families due to insufficient funding.

The 2026 HUD funding projection identifies our agency as Group 2 — “projected shortfall without action.” Under HUD’s definition, Group 2 we are expected to enter a shortfall during CY 2026 unless immediate corrective actions and cost-saving measures are implemented. In accordance with HUD requirements, our agency has already initiated all mandatory shortfall mitigation steps, including:

- Ceased transition of EHV to turnover HCV
- Ceased issuance of new Tenant-Based Voucher with limited exception (i.e. HUD- VASH, FYI, and FUP)
- Ceased solicitation of new Project-Based Vouchers contracts (including adding new units to existing contracts)
- Ceased voucher issuance for portability movers to higher cost areas
- Ceased absorbing families into HCV that have ported from another PHA
- Cease implementing any previously approved, but not yet effective, extraordinary OCF adjustments while in shortfall.
- Deny owner requests to perform substantial improvement on units under a PBV HAP contract if the substantial improvement will make it necessary for the PHA to issue additional vouchers while in shortfall.
- Cease the use of establish payment standards for “grouped” ZIP code areas
- Cease use of Payment standard if it is between 80% and 150% of the SAFMR
- Immediately establish payment standards between 90-110% of the FMR for new admission, movers, and current participant at the second annual reexamination.
- Immediately use administrative fees to improve the PHA’s management of the program

These steps are consistent with HUD’s direction that PHAs must take measures now to ensure program expenditures do not exceed anticipated 2026 funding. In addition to mandatory shortfall migration step, AAHC will initiate the following cost saving measures:

- Immediately establish minimum rent at \$100 month excluding elderly and disabled families from rent policy, applicable post HUD MTW Expansion -50058 reporting compliance date.





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- Continue to provide for the smallest number of bedrooms needed to house a family without overcrowding.
- Continuing to enforce repayment agreements and debt collections owed to the PHA
- Continue to review and enforce HUD EIV reports including income verification tool (IVT) income discrepancies.
- Continue ensuring accuracy of individual utility allowances
- Continue to determine reasonable rent in comparison to rent for other comparable unassisted units

As required in Appendix C., of Notice PIH-2026-12, we are submitting the full documentation packet, including projected HAP costs for CY 2026, current restricted net position (RNP) and HUD-held reserves, voucher management system (VMS) data supporting baseline, explanation of cost-saving measures already implemented, certification that the agency is minimizing financial risk.

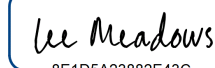
Our projections show that without a category 1 hap set-aside award, our agency will not be able to sustain all current households through CY 2026, placing families at risk of losing rental assistance.

On behalf of the board of commissioners, we respectfully request that HUD grant our agency a category 1 shortfall award sufficient to: prevent terminations, maintain assistance for all current families, and ensure program stability in Calendar Year 2026.

We appreciate HUD's commitment to ensuring families are not displaced due to shortfall conditions.

Sincerely,

DocuSigned by:



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Dr. Lee Meadows,

Board President

Ann Arbor Housing Commission

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7/13/2026

