

MEMORANDUM

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

FROM: Jennifer Hall, Executive Director

DATE: May 21, 2014

I. THE NATIONAL SCENE

Nothing to report

II. RAD REDEVELOPMENT

- A. Site Plan N. Maple and Lower Platt:** N. Maple is scheduled for the June 6th Planning Commission Meeting. Lower Platt is still being revised and will be submitted by the end of the month. A purchase option was provided to the owner on Platt for consideration.
- B. Zoning:** At the May 6th Planning Commission meeting Green-Baxter, Baker, and S. Maple were all recommended for rezoning. Main Street and W. Washington were tabled to provide time for the AAHC to address neighborhood concerns. Neighbors were concerned about the potential future development of the portion of the Main street parcel that is on the west side of Mallets Creek. The plan is for the city to maintain ownership of that portion of the parcel as part of the park's system. A surveyor has been hired to provide a legal description of the lot split and HUD has been contacted to get approval of the lot split. Neighbors were concerned about the stormwater problems in the neighborhood around W. Washington and requested that the city address this issue. Many of the neighborhood concerns are not directly related to the W. Washington parcel itself, but are larger city/neighborhood concerns. Lance and I will be meeting with a neighborhood association representative to talk about ways we can mitigate stormwater run-off from our property.
- C. Easements:** Rochelle Lento is working with the city attorney's office, parks and recreation and public service office to ensure that necessary easements are executed when the properties are transferred from the City to the AAHC.
- D. Relocation:** The Relocation Resource Center is open to residents every day to meet with AAHC and MAP staff. Finance staff are available to write checks for application fees, security deposit returns, moving expenses, and utility hook-up fees every day from 2-4 in the Relocation Resource Center. Staff have met with over 40 residents who are interested in receiving a portable Section 8 voucher as permanent replacement housing. Section 8 staff have been processing the paperwork for the residents as quickly as possible and over 10 vouchers have been issued so far.
- E. Funding:** The Maple Tower and River Run projects still have a \$250,000 shortfall that needs to be closed prior to closing. I am recommending that the AAHC provide the funding gap with CFP funds in the amount of \$125,000 for each project. HUD intends the CFP funding to be used for rehabilitation related to the RAD program and these funds were allocated to RAD in our Annual Plan. We will continue to apply for outside funding for these projects, but need to be able to show HUD that we have the funding to complete

our scope of work in order to close. JP Morgan Chase believes our application for \$750,000 for Maple Tower is competitive and has agreed to submit a FHLB application to the Chicago FHLB office. They are reviewing our application for River Run for the Pittsburgh FHLB office. In addition, a small Michigan Energy Office Grant application for \$19,300 was submitted to perform energy upgrades in the Miller offices. The grant is first come, first serve until the \$100,000 in funding is allocated. Agencies may only apply for 1 grant for up to \$20,000 for eligible improvements.

F. Community Challenge Planning Grant: awarded by the Washtenaw County Office of Community and Economic Development (OCED) for \$293,000 will be used at the N. Maple Road Site to do a Green Demonstration project. The grant is for planning, design, and community outreach/education to integrate green demonstration technologies into the project. The grant will also cover the cost of planning, designing and community outreach/education to integrate community art into the project. There will be a presentation at the June meeting about this grant.

G. HUD RAD Closing: Maple Tower and River Run - HUD has approved the Relocation Plan and Physical Needs Assessments. The Environmental Review and Subsidy Layering Review have been submitted to HUD and the review is underway. The Lenders and investors are conducting their underwriting reviews as well. The next step is to submit the Financing Plan.

Colonial Oak (non-LIHTC properties) – HUD has approved the Physical Needs Assessments and development team capacity and the rest of the due diligence items are on hold until Maple Tower and River Run are close to closing.

III. CITY/COUNTY/OTHER RELATIONS

A. City Council Budget – GASBY 68 requires defined benefit pension funds to be fully funded for government employees that are funded with enterprise funds but not general funds. The impact on the AAHC would be approximately \$1.8 million to fully fund the pension fund. The City Administrator recommended that the Ann Arbor Housing Commission staff among other departments be moved into the general fund and be leased back to the Housing Commission. City council is in the budget process and is expected to approve a budget in June 2014. The City Administrator's budget also recommends a non-recurring allocation of \$209,000 to the AAHC based on the projected FY2015 budget deficit that I discussed with City Council in 2013. Council Allocated \$382,000 to the AAHC for the current FY 2014. The deficit should be smaller in FY 15 because reimbursement rates have increased due to the end of sequestration, and RAD rents will become effective on January 1, 2015 for most of the AAHC's units.

B. Continuum of Care – HUD announced renewal grants for Continuum of Care funding for local non-profits to provide housing and services for homeless households. All of the Washtenaw County grants were renewed. HUD requires a municipality or housing authority to administer local CoC funding and the AAHC is the administrator for these grants. The AAHC will be receiving administrative fees this year for the first time of about 1% of the grant.

IV. FINANCIAL REPORT AND UPDATE

See financial report (Budget to Actual July-March 2014).

- A. All of the Capital Fund Program (CFP) grants have been allocated toward renovations under the RAD program.
- B. The administrative fees provided for May 2014 are an estimated amount based on the leasing data reported in the Voucher Management System (VMS) for July - September 2013. The amount was capped to the number of available units; prorated to 75% of eligibility, and calculated using the 2013 administrative fee rate. That is about \$6,000/mo more than when we were at 69%.

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

\$49,125 Rencor for renovations at Oakwood

VI. PERSONNEL

- A. **Staffing** – Welcome to all the new hires. Koran Boze was hired as the 3rd Temporary Relocation employee. Isaac Griffith and Tevin Cole were re-hired as summer interns in the Finance and Maintenance areas.. Melissa D’Angelo was hired for the second Occupancy Specialist Waitlist position and will be starting on May 28, 2014. The newly created Family Self-Sufficiency and Support Services Coordinator position has been posted as well as the Accounting Clerk position. Brandon Boggs, Maintenance Technician, has transferred to another position at the city and this position will be posted soon. In addition, the Receptionist position is currently being filled by a temporary employee and the permanent position will be posted as soon as HR completes a wage survey.
- B. **Training:** Wade Smith and Weneshia Brand attended a homeownership training for the voucher program. The Maintenance staff attended a Safety Training. Twelve staff will be attending a day-long training on Low Income Tax Credits on May 22nd.

VII. INTERNAL OPERATIONS

- A. **Housing Choice Voucher:** The Dispute Resolution Center will be hired to perform Grievance Hearings. A Request for Qualification was issued for Quality Control for HQS inspections and we are awaiting responses. Weneshia is conducting the Section 8 Management Assessment Program (SEMAP) which measures the performance of our Section 8 program.
- B. **Public Housing:** HUD is now requiring flat rents to be no less than 80% of Fair Market Rent Rates (FMR) which will increase the rent of about 10 residents. Staff have been meeting with these residents to discuss the impact if they continue to choose flat rents instead of rents bases on their adjusted income. Reggie and Beth are working on site-based designated smoking areas for each site.
- C. **Maintenance:** A new contract has been executed with Eradico Pest services for full pest control coverage including bed bug inspections and treatment. Eradico has a Canine team for inspections which are over 90% accurate in detecting bed bugs compared to humans, which are about 30% accurate. K-9 teams will have inspected 100% of our units by the end of May. When bed bugs are detected, a treatment is scheduled immediately. Lance is getting quotes for geothermal systems at the small family sites, a/c at 7th, a roof for W. Washington, and water heaters for the small family sites. Lance is also getting quotes to

build an office/break room for the maintenance staff for their move to S. Industrial.

D. Green-Baxter Fire: 3 quotes were finally received from contractors and the quotes were sent to the Insurance Company for review and approval. DTE was contacted to disconnect the gas and electric lines and the City will be capping the water and sewer lines. As soon as the contractor has been approved, a contract will be executed and the work can begin.

E. Family Self Sufficiency Program: HUD has issued a joint grant application for both public housing and the voucher program which will allow the AAHC to combine its FSS programs into one program. The AAHC currently receives \$69,000 for the PH FSS (1 FTE) program and \$34,500 for the HCV FSS (.5 FTE) program. The AAHC is applying for a total of \$138,000 (2 FTE) in funding from the combined FSS grant application.

VII. APRIL 2014 BOARD MEETING FOLLOW-UP – nothing to report