

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** August 16, 2017

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### I. FEDERAL

- A. FY18 Budget:** The House is proposing a \$483 million cut to the FY18 HUD budget and the president is proposing a \$7 billion cut in the HUD budget. The Senate unanimously adopted the FY18 HUD budget, which included a \$1.4 billion increase over FY17. Attached is a short showing the FY16 & FY17 adopted budgets compared to the FY18 proposed House, Senate, and Presidential budgets by line item.
- B. CY17 HAP shortfall:** We are revising our CY17 Voucher HAP shortfall projection down to \$110,000. We are meeting with HUD monthly to address the shortfall in order to apply for shortfall funding, which we have done the last 2 years. Attached is the Shortfall Action Plan required by HUD. The shortfall is related to 3 factors: timing of the RAD conversion leading to the underfunding of the RAD PBV units, underfunding of the VASH program, and higher than budgeted Family Self Sufficiency (FSS) escrow payments.

### II. RAD REDEVELOPMENT

- A. West Arbor (N Maple):** Norstar Construction is completing landscaping and exterior building punch-list items in order to get the final Certificate of Occupancy. Ulli and I are working with Norstar and Cinnairre to close on the permanent loan and pay off the construction loan. The closing is expected to occur in September.
- B. Swift Lane (White/State/Henry and Lower Platt):** The Brownfield Authority recommended approval of \$200,000 to demolish White/State/Henry and will consider additional funding up to a total of \$800,000 for redevelopment of the site. A Brownfield Plan must be developed and approved by City Council as well as designating the sites as blighted. An application for \$650,000 was submitted to the Federal Home Loan Bank in Pittsburgh with JP Morgan Chase as our sponsoring bank. A new LIHTC application will be submitted to MSHDA for the October round. Norstar is evaluating whether it is financially feasible to apply for a non-competitive 4% LIHTC award for Broadway and Platt combined.
- C. Colonial Oaks (Main, Penn, Seventh, Colonial Platt):** The exterior landscaping and driveway renovations at 7<sup>th</sup> have begun. A contract was executed with a general contractor to complete the unit renovations.
- D. Broadway:** Norstar and an architect did a site inspection of Broadway to determine if it could be renovated or whether it needs to be demolished and rebuilt. The biggest issue is the drainage and erosion problem. We will be getting an engineering analysis to see if the drains can be rebuilt without demolishing 1508 Broadway to get to them.

### III. CITY/COUNTY/OTHER RELATIONS

- A. **Washtenaw County:** The Washtenaw County Board of Commissioners voted to include a millage for the Sheriff's Department and Community Mental Health on the November ballot. The City of Ann Arbor provides its own police services and therefore, a partial tax rebate for the portion of the millage for sheriff services will be returned to the City. City Council approved the attached resolution to spend 40% of the this rebate on effecting the goals of the Climate Action Plan, 40% to effect the goals of the County Affordable Housing Needs Assessment and Equity Analysis as well as workforce housing, and 20% for pedestrian safety. See attached.
- B. **City Public Services:** I was asked to serve on the Water and Sewer Cost of Service Public Advisory Committee to get public input on proposed new water and sewer rates.
- C. **Washtenaw County Office of Community and Economic Development.** OCED is continuing to take the lead on our joint Affirmative Furthering Fair Housing Plan, required by HUD. The AFFH Committee is continuing to hold community forums in targeted neighborhoods. There were over 800 surveys received, which will be compiled for the Plan.
- D. **State of Michigan.** The Ecology Center nominated the AAHC for the Governor's Energy Excellence Awards and the AAHC did not win but we received honorable mention for our energy efficiency work at West Arbor, Miller Manor and other properties.
- E. **Affordable Housing News.** This national magazine is writing an article about the AAHC's partnerships with local non-profits to provide supportive services to our tenants and also highlighting the energy efficiency improvements we have made.

### IV. FINANCIAL REPORT AND UPDATE

August 2017 preliminary financials are attached.

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

Done-Rite \$148,900 contract to complete renovations of Colonial Oaks units

### VI. PERSONNEL

- A. **Staffing:** Linda Rentz was hired as a temporary administrative assistant for the Finance Department. Linda has a wealth of experience in business and accounting and we are happy to have her on board. Several staff completed the new HUD-FSS on-line training but it was determined to be insufficient so we will be looking for alternative classes.
- B. **Training:** Congratulations to Terry Holman who completed courses in Event Planning, Communications and Digital Marketing.

### VII. OPERATIONS

- A. **Housing Choice Voucher Program:** HUD provided a chart analyzing the AAHC's voucher program demographics and comparing the AAHC to state and national statistics. See attached. These statistics include HCV, PBV and VASH tenants.

- B. **Affordable Housing:** All of the Affordable staff as well as Weneshia and I took an on-line tax credit assessment to provide guidance on areas that we need additional training. Congratulations to Beth Yaroch, who did so well on the assessment that she can work on taking a national certification course and test. All of the summer programs at the family sites have ended. Thank you to Kelly Martin from CMH, who has been working hard to secure funding for quite a number of people at Baker, Broadway and White/State/Henry that were behind on their rent and were in danger of losing their housing. Washtenaw County completed a monitoring visit for the Baker Commons Food Program. The program funding is specifically for elderly households. Unfortunately, there are not enough elderly households at Baker to continue the food program. We are exploring our options to continue providing food services to Baker tenants. Washtenaw County is working with Meals on Wheels to see how many people we can transition to the Meals on Wheels program, which requires the recipients to be homebound, but not necessarily elderly.
- C. **Maintenance:** Tim Olivier created a preventative maintenance schedule for each apartment and property. Technicians will be inspecting every apartment using the check-off sheet in order to identify problems before they become hazardous or costly. See attached. Tim executed contracts for the ongoing generator maintenance, fire suppression system maintenance and elevator maintenance. Contracts were executed to replace the ADA door openers at Miller Manor, replace the greenhouse roof at Miller Manor, install a retention pond fence at West Arbor, landscaping at S Maple, and replace 2 dumpsters at Hikone. MSHDA cleared all of the findings for the physical inspection at Maple Tower and River Run properties.
- D. **Administration and Finance:** A contract was executed with Smith and Klaczkiewicz to conduct the AAHC and AAHDC FY17 audits (July 1, 2016 – June 30, 2017). The on-site financial and file review will occur in September. The AAHC received a clean audit finding from HUD for FY16. See attached.