

MEMORANDUM

TO: Board of Commissioners, Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: January 21, 2026

I. FEDERAL

A. **Federal FY26 Budget:** The Transportation, Housing, and Urban Development (THUD) and Financial Services and General Government (FSGG) spending bills deadline is January 30, 2026. The final THUD bill, which funds major housing and community development programs, has not yet been released. Any spending bill not passed by January 30 may require a continuing resolution, stopgap funding measure to provide an extension of funding. If Congress fails to pass one of these options, they risk a partial government shutdown for agencies funded under those bills.

The HUD Spending bill provides net \$73.3 billion in programmatic funding or HUD, an increase of \$3.1 billion in additional funding. The bill rejects the administration's proposal to reduce funding and shift costs to state and local government. This budget does not address any of the proposed policy changes that can also have a major impact and loss of housing for existing housed households, if they are adopted. The bill proposes \$37.4 billion for HCV, including \$30 million for new for foster youth, \$15 million for veterans, \$972 million for elderly, and \$265 million for disabled families. The bill also proposed \$211 billion for self-sufficiency programs and \$15 million to assist low-income tenants with legal assistance in eviction proceedings. In addition, the bill provides \$4.5 billion for homeless assistance grants, in addition to investment for permanent supportive housing, youth homelessness, domestic violence survivors, HOME, CDBG, EDI, and Fair Housing investments.

B. **Federal Cost Savings Measures:** On November 17th, the Department of Housing and Urban Development (HUD) issued a notice recommending that Public Housing Agencies (PHAs) implement cost-saving measures to mitigate funding shortfalls and reduce housing assistance payments. Recommended examples included ensuring families receive the correct voucher size, reviewing utility allowances, and adjusting payment standards. Additional strategies involved reducing the issuance of vouchers for new admissions, administering portability vouchers effectively, and reducing subsidy standards.

The Ann Arbor Housing Commission (AAHC) has implemented several of these recommendations: **Subsidy Standards:** AAHC has proactively reduced subsidy standards by maintaining the Fiscal Year (FY) 2025 payment standards for FY 2026. **Voucher Management:** To ensure accuracy, the Commission continues monthly reporting to confirm the correct voucher size is applied to participating families. **Issuance Control:** AAHC has implemented measures to bill portable vouchers and has ceased the issuance of new tenant-based vouchers, with the exception of Special Purpose Vouchers. Furthermore, AAHC is currently evaluating the potential impact on participating families of increasing the minimum rent from \$50 to \$100.

The HCV administrative fee funding provided by HUD to AAHC for December 2025 are an estimated amount based on reconciled leasing data reported in the Voucher

Management System (VMS) for 2025. The amount was capped to the number of available units; prorated to 88.5% of eligibility; and calculated using the 2025 administrative fee rates. AAHC requested and received additional funding to prevent shortfall in the HCV program.

Family Self-Sufficiency Grant: On December 29th, we were approved for FSS funding however, the allocation decreased from \$241,584.00 for calendar year 2025 to \$209,008 for calendar year 2026.

- C. **Continuum of Care:** [HUD](#) recently withdrew the FY 2025 Continuum of Care (CoC) Notice of Funding Opportunity (NOFO), originally published on November 13, 2025. According to HUD: The Department has withdrawn a Notice of Funding Opportunity (NOFO) with respect to the Continuum of Care (CoC) grant program. This withdrawal will allow the Department to make appropriate revisions to the NOFO, and the Department intends to do so. The Department still intends to make changes to the previously issued CoC NOFO to account for new priorities. HUD anticipates reissuing a modified NOFO well in advance of the deadline for obligation of available Fiscal Year 2025 funds. HUD will take necessary steps to process eligible FY25 renewal grants, but with no obligation to fund them. HUD stated on January 8 that it will process eligible renewals for FY25 funding until February 9 pursuant to the FY 24-25 NOFO. Funding for CoC renewals is still delayed and uncertain.

II. STATE & LOCAL Partnerships:

- A. **Interfaith Hospitality Network (IHN):** On January 3, 2026, IHN held a panel discussion at the Washtenaw County Democratic Party monthly meeting about housing and homelessness in Washtenaw County (link to recording below) and I spoke on the panel with SOS, Avalon, WHA and Washtenaw County BOC representatives. This was the first of a series of events planned to help raise awareness about proposed changes in HUD funding.
<https://youtu.be/AfKuYx6emtY?si=0pXduNY1S3gZ7UGq>
- B. **Documentary “The Road Home”:** Breyko, the film makers will be including this in the documentary “The Road Home,” set to be released in April:
https://youtu.be/yTKi_97pQ4I?si=NIEx0Dy9X8PVLxKQ
- C. **Washtenaw Housing Alliance:** WHA celebrated its 25th anniversary at this annual meeting. I did a presentation on the development process and affordable housing projects that have been funded by the affordable housing millage.
- D. **Thanksgiving Donations:** Officer Blake Webb organized a fundraiser turkey drive and 222 AAHC families received a turkey donated from the Ann Arbor Police Union, Ann Arbor Fire Union, Muslim Association of Ann Arbor and UM Football.

III. DEVELOPMENT

- A. **121 E. Catherine:** Construction is on schedule. AAHC is processing applicants for residency at Dunbar Tower. We continue to work with Avalon and CoC partners to process applications for homeless households.
- B. **350 S. 5th:** In December, City Council approved a \$4 million grant and a Payment in

Lieu of Taxes (PILOT). The January City Council agenda includes a request for \$1 Million from the Office of Sustainability, a \$35 million city bond request, a development agreement and approval of a transformational brownfield plan.

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

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

E. **721 N Main/123 W. Summit:** We are currently working on getting updated Phase I and BEA reports through ECS to help facilitate the purchase of W. Summit. The total for this work is \$4,150 .

F. **404 N Ashley:** IHN moved their administrative offices to their new shelter on the campus of Trinity Health. SAWC is expanding its offices to the space vacated by IHN.

G. **Arbor South:** City Council is considering a Brownfield Plan on January 20th which will still trigger a requirement to include 15% affordable units.

H. Lurie Terrace: Elevator contractor is on site and moving equipment to close to its final installed location. One car will be shut down after the holidays to be modernized. This will take about 10-12 weeks, followed immediately by the other car for a similar amount of time. Fire suppression IFB was awarded to Jackson Automation Sprinkler. We are working on final design and schedule. Midwestern Consulting is still working on developing a site plan. Anticipated approval of the site plan is mid-summer 2026. The scope of work for the remodel on the 8th floor has been finalized. We are working with Fusco, Papps, and Shaffer to develop plans to go out for bid. Vetcon is going to start doing some work in the service area in anticipation of moving the primary feed from DTE. There is an underground component that early frost may affect.

IV. FINANCIAL REPORT AND UPDATE

- December financial reports attached

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

- GBC will have the roof replaced prior to solar installation, estimated cost of \$36,000.
- Fire suppression out to bid for Lurie. IFB contract award of \$1,389,424
- Contract with Fusco, Pappas, and Shaffer for architectural design at Lurie estimated cost of \$50k-\$75k.
- Primary Metering Cabinet – Lurie Terrace \$27,523.50
- Generator for Lurie anticipated cost (this month) \$95,000

VI. PERSONNEL

A. **Staffing:** New hires include Brandon Charlebois and Mohammed Kasham facilities maintenance techs: Sasha Rivera, Occupancy Specialist, and Deklyn Blake, Property and Compliance Specialist. Lisa Lavan was promoted to Deputy Director (position currently held by Beth Yaroch who is retiring). Lisa's position is posted as a Residency Manager – Affordable.

- B. **Progressions:** Joe Kennedy, Greg Walker and Travis Ransom are training with HR for their level 5 interviews in December.
- C. **Training:** Joe Kennedy and Travis Ransom completed Managing Maintenance from NAHRO. TJ Irvine completed a Managing Maintenance course to renew his certified maintenance manager.

VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 218/251 (76%) 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:** 26/32 (81%) vouchers are leased-up. AAHC works directly with DHHS for referrals.
- C. **Emergency Housing Vouchers:** 24/24 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:** 206/278 (74%) vouchers are leased-up. AAHC works directly with the Ann Arbor VAMC for referrals. The AAHC received 41 new VASH vouchers in December 2024. The AAHC is currently pausing new VASH lease-ups while waiting for the 2026 budget to be adopted.
- E. **Foster Youth Initiative:** 4/6 (67%) 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, J29:7, Related, and Lockwood to complete the due diligence for the PBV's awarded, including Environmental Reviews, Subsidy Layering review, and Rent Reasonable analysis.
- D. **Homeownership:** Four HCV program participants closed on their home between October and November. Three participants purchased units at Dorsey Estates and an additional participant purchased his current rental unit. We held our 2nd Annual Homebuyer Summit on Nov 5th, the event was well attended by both consumers and lenders.
- E. **Family Self-Sufficiency:** 101 families currently participate in the FSS program. AAHC partnered with the Bank of Ann Arbor to offer Financial and Money Management workshops. Workshops are held in six-week sessions. In addition, we have partnered with Chase Bank to offer Homeownership workshops, every other month.
- F. **Moving To Work:** We are currently working on FY26/27 MTW Supplement Plan. The public hearing is scheduled for January 21, 2026.

As part of our landlord incentive initiatives, AAHC partners with University Lending Group to provide landlord workshops. The last workshop was held on October 23rd.

Landlords discussed how to use their investment properties to leverage funding, expand their portfolio, protect their investment, and transition their investment in preparation for retirement.

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: 100% Occupied at Swift Lane, 97% Occupied at West Arbor, 96% Occupied at River Run, 96% Occupied at Maple Tower.

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 Technician are working daily to keep up with daily operations, preventative maintenance and unit turns. 200+ work orders completed in the last month, completed all fall preventative on sites, less than 6 vacant turns to complete
- ii. Creekside – No Update
- iii. Broadway – Final draw completed for major renovations by O’Neal Construction
- iv. Lurie – DTE is engineering the fuse design upgrade to support the fire suppression equipment. Jackson Sprinkler and Vetcon Electric have been awarded bids for the fire suppression. DTE scheduled to remove pole and upgrade, new generator is being assembled. Site plan process is underway with MCI. Elevator equipment delivery is delayed and is expected to start in December instead of October. Transformer has been delivered and waiting to schedule installation with DTE. Elevator Services has started staging equipment and is close to shutting down a car for modernization.
- v. West Arbor – No Update
- vi. Oakwood – No Update
- vii. GBC solar and meter consolidation is out to bid Homeland Solar and Vetcon electric were awarded bids.
- viii. State – No Update
- ix. Siller Terrace – gables repatched and ECT is completing soil remediation. Gables completed. Testing of new soil underway and once its cleared, they can start removal of old and put down new
- x. Hikone No Update