MEMORANDUM

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

FROM: **Jennifer Hall, Executive Director**

DATE: **November 19, 2025**

I. FEDERAL

A. **Federal FY26 Budget:** HUD programs will continue to operate at existing funding levels while lawmakers work toward a longer-term budget agreement for FY 26. The CR allows HUD to use unobligated funds from Tenant Protection Vouchers, Housing Choice Voucher administrative fees, and special purpose vouchers to cover shortfalls under the Housing Choice Voucher Program. The bill also prevents any Reduction in Force (RIF) through January 30, 2026, and reverses the RIFs issued by the Trump Administration during the shutdown. Negotiations over full-year FY 26 Housing and Urban Development (THUD) funding are ongoing.

B. **Federal:** In an article written by ProPublica, pre-published copies of two rules were published. They are titled "Establishing Flexibility for Implementation of Work Requirements and Term Limits" and "Housing and Community Development Act of 1980: Verification of Eligible Status." The former rule would allow housing agencies to set work requirements and term limits, while the latter rule would change the current system of prorating assistance to mixed status families receiving certain forms of federal rental assistance. The rules were under review at the Office of Management and Budget, according to a HUD official in attendance. (OMB typically reviews proposed rules for compliance with federal standards and consistency with the president's policies.)

C. **Affordable Housing Properties RAD Rent Increases:** Prior to the government shut-down, we applied to increase our RAD rent for our AAHC RAD PBV units to the same rates that the private sector is allowed to charge. The effective date for the new rents is the start of the Housing Assistance Payment (HAP) contract, which varies by property. After HUD approves the increase in rents, the first year of rent increases must come from HAP reserves and we cannot go into shortfall to do it. The AAHC does not have sufficient reserves in 2025 to increase the RAD rents. Depending on the FY26 HUD budget, we may not have enough funds in FY26 either.

D. **RAD Rent Zero HAP Waiver:** In addition, AAHC requested a waiver for RAD PBV Covered Projects, to allow initial leasing of eligible families whose Total Tenant Payment (TTP) exceeds the gross rent when the PHA has not paid HAP for the family in 180 days. We are currently awaiting a response from HUD, which is delayed due to the government shut-down. If the RAD rents are increased, this waiver will not be needed.

II. STATE & LOCAL Partnerships:

A. **Continuum of Care:** HUD issued a new Notice of Funding for CoC funding with significant changes will have a major impact on local housing and services for homeless households. HUD is instituting a 30% cap on the amount of funding that can be requested for permanent housing, which includes Permanent Supportive Housing and Rapid Re-Housing. This will force CoCs to reallocate funding from existing permanent housing projects in order to create new projects, with preference for new Transitional Housing and new Supportive Services Only projects for street outreach. All of Washtenaw County's CoC project funding is currently for permanent housing with services. The loss of rent subsidies for homeless households who are currently living stably in housing will lead to an increase in homelessness again, unless other resources can be found to replace these lost rent subsidies. The AAHC does not receive CoC funding directly, however, Avalon provides services to many AAHC residents through CoC funding for services, and the AAHC provides matching funds by providing rent subsidies. Consequently, the AAHC will lose these CoC-funded services from Avalon, which will have the greatest impact on Miller Manor, where Avalon provides 24/7 services.

B. **Washtenaw Housing Alliance:** I will be presenting at the WHA's Annual Conference this Friday November 21st on the city's affordable housing initiatives. The event is free and open to the public.

C. **State of Michigan LEO Grant:** The State of Michigan awarded the AAHC an additional $135,000 and 6 month extension to its recently awarded contract to provide housing assistance to people who were previously incarcerated.

D. **City of Ann Arbor Human Rights Commission:** The HRC requested that Weneshia and I make a presentation about the AAHC and answer questions about how our HUD programs work.

E. **City of Ann Arbor Renter's Commission:** The Renter's Commission requested that Weneshia, Lisa Lavan and I make a presentation about the AAHC and answer questions about how our HUD programs work.

F. **First Methodist Church:** I did a presentation about the local housing market and affordable housing development to the Church because they are interested in developing housing on their downtown property.

G. **U-M School of Social Work:** I have done multiple presentations for several professors at the School of Social Work about housing and homelessness.

H. **Ginsberg Center:** The Ginsberg Center invited Kameron Donald, the Director of A Letter to the West Side, to show the film at their new office for the public. Several Community Leadership Council members answered audience questions after the film.

III. DEVELOPMENT

A. **121 E. Catherine:** Construction is on schedule. AAHC has sent inquiries to local artist entities to solicit volunteers to become a member of the Artist Tenant Review Committee. 10 artists were selected to add art, signage and commemorative plaques to the building. Over 70 people have gone on tours of the property including the local Architects Association, City Council members, County Commissioners, County employees, Community Leadership Council members, Planning Commission members, City staff, Avalon Staff, AAHC staff and AAHC board members.

B. **350 S. 5th:** Continuing to work with MSHDA, MEDC, WCBRA and the City on financing. The site plan was approved with conditions.

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

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

E. **721 N Main/123 W. Summit:** The city has taken down all the buildings and therefore acquisition can occur. Dykema is working on legal documents.

F. **404 N Ashley:** IHN has moved out of the upper office space and into their new shelter on the St. Joseph Campus.

G. **Arbor South:** No Update

H. Lurie Terrace: Elevator enhancement/replacement will be starting end of November/early December. Working with architect for remodel of 8th floor community space including the section where the industrial kitchen used to be.

IV. FINANCIAL REPORT AND UPDATE

- October financial reports attched

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

- Homeland Solar contractor for the solar installation at GBC -$107,000.
- Vetcon contractor for the meter consolidation at GBC - $64,680 at GBC. This project is being funding through money from the City's Office of Sustainability and Innovation
- Transformer at Lurie Terrace - $27,665.
- Vetcon for prep work for the primary service upgrade at Lurie - $62,800.
- Fire suppression out to bid for Lurie. The response date for the IFB is 11/19/25. That number is anticipated to be in excess of $1,000,000.
- Midwestern Consulting under contract for surveying and design services for a site plan including onsite storm water detention - $160,600.
- Replacement of all six decks at Oakwood property - $35,369.

VI. PERSONNEL

A. **Staffing:** New hire Sasha Riveria, Lurie Terrace Occupancy Specialist. Two positions posted: Deputy Director (for Beth Yaroch who is retiring) and Accountant

B. **Progressions:** No update

C. **Training:** Mindy Van Huffel HCV Specialist Certification. Katrisha Kelly, Lisa Lavan, and Angela Killom all completed a year-long leadership training with NAHRO.

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.

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 Oct 2025, the occupancy rate for each project is as follows; 96% Maple Tower, 95% River Run, 98% West Arbor, and 98% Swift Lane.

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 10 vacant turns to complete
ii. Creekside – a basketball hoop and fence will be installed in the parking lot for the youth Basketball hoop installed, fencing is under way
iii. Bid solicitation for Snow removal contracts for all sites are underway All contracts completed and signed
iv. Broadway renovations underway: 1504 building is complete and residents are moving in, 1506 building will be complete this month and residents can move in after Certificates of Occupancy are issued. 1506 complete and all units occupied
v. Lurie – DTE is engineering the fuse design upgrade to support the fire suppression equipment. 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. Elevators set to start early December
vi. West Arbor – Solar installation started, meter consolidation started and mud jacking is complete. Community center, 743/745 and 747/749 are completed for Solar
vii. Oakwood – Deck construction has been completed
viii. GBC solar and meter consolidation is out to bid Homeland Solar and Vetcon electric were awarded bids
ix. State – bike rack installed and restriping of parking lot complete Bike rack and striping are completed
x. 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
xi. Concrete projects wrapping up on all sites. All completed
xii. Stadium roof leak fixed. Completed
xiii. Hikone parking lot seal and stripe completed.