

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: September 18, 2019

I. FEDERAL

A. **Fiscal Year 2020:** No Update

II. STATE & LOCAL Partnerships:

A. **Ann Arbor Sustainability Department:** The AAHC is partnering with the Sustainability Department to increase energy efficiency design at Creekside Court, including adding solar panels. The project includes 4 residential buildings, all with south-facing roofs. All utilities are included in the rent, so the architect, engineer and electrician were working with a solar installer to design a single solar array on each roof system with a single meter under the AAHC's bill. Installing a single metered solar array is the most effective and efficient way to design and capture energy, rather than installing individual solar arrays for each unit. During the design process it was discovered that the Michigan Public Service Commission (MPSC) issued a ruling in 1977 that prohibits master meters on multi-family buildings. The ruling requires all newly constructed buildings to have individual gas and electric meters, which includes solar meters. The stated purpose was to ensure that a property owner would not re-sell the energy usage to tenants above the charges they received from the utility company. By requiring individual meters, the MPSC was ensuring that a tenant was being charged what the tenant used.

The 1977 ruling had not contemplated the future development of permanent supportive housing for homeless households which include utilities in the rent as a best practice because these tenants have a hard time getting utilities in their name and/or have high incidents of utility shut-offs. We have had several conversations with DTE about requesting an exception to this ruling to the MPSC for our properties at Swift Lane. We provided a case to DTE from Consumers Energy and The Dwelling Place, a supportive housing developer in Grand Rapids, who requested and received an exception to this ruling a few years ago.

B. **Washtenaw Housing Alliance:** The National Hunger and Homeless Awareness Week is November 16th to 24th. The WHA will be hosting the following events:

Wednesday, November 13th 5-7pm at WCC Morris Lawrence Building, Panel Discussion on the State of Homelessness. Target Audience is elected bodies, boards, non-profit staff and local stakeholders.

Monday, November 18th 7-9pm showing of the movie "Owned: A Tail of 2 Cities" and panel discussion at the Michigan Theater

III. RAD REDEVELOPMENT

A. **Swift Lane (Creekside Court and State Crossing):** Demolition is complete. Construction of the underground storm water infrastructure and foundations are complete at State Crossing and are underway at Creekside Court.

B. Broadway: Renovations are underway at 1508 Broadway and the laundry room at 1506 Broadway. The project is expected to be completed by the end of September 2019. Reggie Dalton has been working with Evangelina Vassallo and Angie Killom to ensure that as soon as the building is turned back over to us, we can move tenants in immediately.

IV. FINANCIAL REPORT AND UPDATE

August financial reports are included

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

\$26,290 Vetcon to install cables for security cameras at Maple Meadows.

\$29,373 Solar Flooring to install flooring on the first floor common areas and second floor laundry room

\$90,616 Solar Flooring to install flooring on all common areas at Baker Commons

\$59,200 Haley Mechanical to replace brackets and corroded plumbing at Baker Commons. Haley was the 2nd lowest bid. The lowest bid was rejected for this project only, due to Done Rite having an existing \$525,000 contract at Broadway (which includes plumbing) that is several months behind schedule.

\$27,807 Schindler Elevator to install 2 hydraulic oil coolers Miller Manor elevators

The following services are currently out to bid: Security at Baker Commons, Pest Control at all properties and Janitorial services at all properties with common areas.

VI. PERSONNEL

A. Staffing: Congratulations to Katrisha Kelly, Evangelina Vassello and TJ Irvine, who have completed their first and second level progressions with their supervisors and are awaiting the results of their assessments with HR. Progressions were developed by the City, AFSCME, Teamsters and AAHC to assess staff competencies and to provide raises to staff as they progress through up to 5 levels of competency.

B. Training: Angie Killom, Waitlist Occupancy Specialist for Affordable Housing, completed a week-long tax credit specialist training and certification.

VII. OPERATIONS

A. Family Unification Program: The AAHC was awarded 32 new FUP vouchers and we have received 40 referrals from DHHS. 24 have leased-up (10 families & 14 youth), 7 are in process and 9 failed to lease-up who were approved.

B. Non-Elderly Disabled Voucher Program: The AAHC was awarded 45 NED Vouchers and we have pulled 80 people from the waitlist. 43 households have leased-up, 3 households are in process and 34 households failed to lease-up who were approved.

C. Finance: The AAHC, Colonial Oaks and AAHDC audits are complete and will be presented at the October Board meeting. Redstone, our tax credit investor.

D. Affordable: NEF, our tax credit investor conducted a file monitoring of West Arbor and there were not only no findings, but the NEF monitor was quite impressed with Makia Slaughter, the Occupancy Specialist at West Arbor.

Washtenaw County Community Mental Health has provided on-site services at Baker Commons

and White/State/Henry as well as phone services at Seventh, W. Washington and Broadway for 15+ years. Due to significant state cuts for WCCMH, they are in a hiring freeze and are unable to fill the staff member position serving these AAHC residents. After many discussions with WCCMH, we have mutually decided not to renew the contract in October 2019 but we are leaving the option open in the future. Discussions are underway with another service provider to see if they can add Baker Commons, in particular, to their contract with the AAHC and possibly some of our other smaller sites that do not have on-site facilities for services.

E. **Facilities and Maintenance:** NEF, our tax credit investor conducted a physical audit of West Arbor this week and we have not received the results yet.

F. **Capital Expenditures:** The following capital expenditures are scheduled for FY20. The projects will be paid for through a combination of Capital Reserves held by River Run and Maple Tower. These expenditures have to be approved by Redstone, our tax credit investor for River Run and Maple Tower as well as Cinnaire, our mortgage lender. Due to some unexpected requirements from the City as well as equipment or installation failures, the capital expenditures exceed the Capital Reserves. Thanks to the Ann Arbor Downtown Development Authority, who approved \$256,658 for capital improvements at Baker Commons and Miller Manor, these urgent capital expenditures will be completed in FY20. In addition, the Housing and Human Services Advisory Board is recommending that City Council approve \$86,201 from the Affordable Housing Fund. The balance will be paid from our Capital Reserve funds for Maple Tower and River Run.

Miller Elevator - Install Oil Cooling Equipment	\$27,808	bid
Miller Roof – Install Safety Equipment	\$38,000	est
Miller Flooring 1 st and 2 nd floor common areas	\$29,373	bid
Miller – Convert to LED lights in hallways & common areas	\$39,000	est
Miller & Baker - New tenant entry system	\$21,161	bid
S. Maple – parking lot resurface	\$23,000	est
S Maple – basketball court resurface	\$12,000	est
S. Maple – regrading site for stormwater detention	\$8,000	est
S. Maple – install security cameras – underground cable	\$30,000	est
Baker New Roof Membrane	\$71,537	bid
Baker new roof vents and fans	\$5,022	bid
Baker- replace rusted plumbing due to failed fasteners	\$59,200	bid
Baker common area flooring 5 stories	\$90,616	bid
Baker New Monument Sign	\$12,000	est
Baker common area LED upgrade	\$39,000	est
Baker Conduit for roof vents and fans	\$8,010	bid
	<u>\$513,727</u>	