

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** December 2015

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### I. FEDERAL

- A. FY 16 Budget:** According to NAHRO the House Financial Services Committee approved HR 3700 on a vote of 44-10. The bill must be approved by the full House and the Senate. “Notably, there are within the bill a number of provisions that NAHRO has worked hard to educate members of Congress on and/or supported for some time, including but not limited to language regarding the fungibility of Operating and Capital Fund dollars; language authorizing a reserve for replacement within the public housing program; a provision authorizing the ability of a PHA to project base up to 20 percent of its *authorized number of vouchers*; a provision allowing PHAs to project base an additional ten percent of the authorized units to house families with veterans, the elderly, the disabled or families that are located in areas where vouchers are difficult to use; as well as a provision that would permit PHAs and local redevelopment authorities to act as sub recipients under the Emergency Solutions Grant program.

Despite recognition that the bill as a whole was a notable and positive bipartisan effort, during yesterday’s debate members of the committee expressed concern and focused on concerns related to possible rent increases resulting from changes to medical and child care deduction thresholds in the bill. Information surfacing only recently raised significant concerns related to the possibility that seniors, disabled, and single mother households may be faced with rent increases as a result of this change. In October, NAHRO urged the Subcommittee to be mindful of potential impacts that may result from changes to adjusted income deductions for vulnerable households. NAHRO has been on record stating that it is critical vulnerable families do not experience rental increases as a result of HR 3700.

To a lesser degree, the bill’s provision on over income families living in public housing was also raised, which states that if an income review finds a family in public housing has had income above 120 percent of area median for two consecutive years, a PHA must either terminate that family within six months or charge the family the greater of either the FMR or the operating and capital subsidy for the unit. NAHRO has stated that any limitation to over-income tenants should not result in increased administrative burdens for PHAs and that the Secretary should be allowed to provide exemptions to the income threshold when needed and appropriate.”

### II. RAD REDEVELOPMENT

- A. River Run (Baker, GBC and Hikone) & Maple Tower (Miller and S. Maple) Renovations:** All of the apartments at Miller and Baker are renovated and have met the initial occupancy requirements of the LIHTC program, except 1 apartment at Miller that was being used as a temporary storage room and is currently under renovation. Baker’s common area renovations are completed. All exterior concrete work is completed and further exterior landscaping and fence repairs will be completed in the spring. Hikone is complete except for the Community Center. S. Maple has 2 of 5 buildings completed and

Green-Baxter has 2 of 4 buildings completed. All of the apartments in Maple Tower and River Run must be completely renovated and occupied by December 31, 2015 to stay in compliance with our tax credit funding. Community space can continue to be renovated after December 31, 2015. Staff are working really hard with Norstar to ensure that we meet this deadline. Three homeless families have moved into furnished apartments with support services provided by Avalon Housing.

- B. West Arbor (N Maple):** All of the families in the 4 & 5 bedroom apartments have been relocated. The families in the duplexes, which will be renovated not demolished, will move as soon as their apartments are available at S. Maple. The Federal Home Loan Bank of Pittsburgh will be announcing their grant recipients on December 18<sup>th</sup>. The AAHC/Norstar applied for \$500,000 for West Arbor.
- C. Swift Lane (White/State/Henry and Lower Platt):** MSHDA is expected to announce the LIHTC awards in late December or early January.
- D. Colonial Oaks (Main, Penn, Seventh, Colonial Platt):** Apartment renovations have started at S. Seventh and Main street.
- E. West Washington:** Interior renovations are nearly complete. The driveway installation including pervious pavers and a rain garden is complete. Colonial Oaks households will be relocating to W. Washington after renovations.

### **III. CITY/COUNTY/OTHER RELATIONS**

- A. City Council:** The Joint AAHC/City policy committee did not meet in November. A subcommittee drafted a council memo with recommendations to city council. The full committee will provide feedback and further refine these recommendations and then the recommendations will be sent to the City's Housing and Human Services Advisory Board (HHSAB) as well as the Housing Commission Board for comment prior to sending it to City Council. The subcommittee confirmed the city's commitment to the AAHC through the RAD conversion process. However, the subcommittee did not agree on the nature of that support.
- B. Michigan Municipal League:** I was invited to write an article on affordable housing for the MML's issue on fairness and equity. The magazine will be distributed at the board meeting.

### **IV. FINANCIAL REPORT AND UPDATE**

See attached Financial Statement

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

None to report

### **VI. PERSONNEL & OPERATIONS**

- A.** All efforts are focused on completing the RAD conversion process at Maple Tower and River Run