

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** March 19, 2026

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### I. FEDERAL

A. **Federal FY26 Budget:** On February 2, 2026, the House of Representatives passed the Fiscal Year (FY) 2026 HUD appropriations bill in a narrow 217 to 214 vote, following months of negotiation and nationwide advocacy, and averting a wider government shutdown. Congress approved a two-week extension of DHS funding, allowing those discussions to continue while the rest of the government funding proceeded. The final bill protects essential housing and services at a moment when stability and safety are critical for individuals and communities.” The final agreement provides \$77.3 billion for HUD in FY26.

**FY26 HUD Appropriations Bill:** Congress passed the final FY26 Transportation, Housing, and Urban Development (THUD) appropriations bill on February 3, providing over \$77.3 billion for HUD programs—an increase of \$7.2 billion from the previous year. Several key programs that impact AAHC and our local housing system received funding increases or protections. The bill provides \$34.9 billion for Housing choice Vouchers (HCV) renewals, which is expected to fully cover all existing vouchers. Additionally, \$601 million is provided for Tenant Protection Vouchers (TPVs), a \$264 million increase. Importantly, the bill allows HUD to use TPV funding to prevent Emergency Housing Voucher (EHV) participants from losing assistance in 2026. This increase supports renewal of existing contracts and helps maintain affordability in LIHTC and PBV developments.

Homeless Assistance Grants received \$4.42 billion, including \$4.01 billion specifically for Continuum of Care (CoC) & Homeless Services, a \$466 million increase. HUD must non-competitively renew expiring CoC grants on a set timeline if FY26 awards are delayed. HUD must release the FY26 CoC NOFO by June 1, 2026, with awards issued by December 1, 2026. The FSS program receives \$156 million, a \$15 million increase. The HOME program receives level funding at \$1.25 billion. This preserves FY25 funding levels, despite earlier proposals to eliminate HOME entirely.

B. **Housing Assistance Payment Funding:** We received notification on January 20, 2026, that funds in the amount of \$6,176,040 have been obligated to renew expiring Housing Choice Voucher (HCV) Program Housing Assistance Payment increments and Administrative Fee increments expiring December 2025. This HAP advance provides obligations for the months of January, February, and March 2026. The

amounts were inflated by the estimated 2026 inflation factor and calculated at 100% proration. The renewal VASH and RAD PBVs are included in the overall renewal calculations.

**The HCV administrative fee funding:** The administrative fees in the amount of \$465,201 provided for January, February, and March 2026 are an estimated amount based on reconciled leasing data (UML) reported in the Voucher Management System (VMS) for January through September 2025, capped to the authorized units (UMA), and adjusted for over advances through this period. The calculation entails the lower of UML or UMAs prorated to 88% of eligibility, and calculated using the 2025 administrative fee rates. When the 2026 Admin Fee rates are available, HUD will adjust the eligibility accordingly.

- C. **Moving to Work:** HUD has completed its assessment of the Ann Arbor Housing Commission’s compliance with the five statutory requirements of the MTW Demonstration Program for 2024. These requirements ensure that: (1) at least 75 percent of households served are very low-income (50% AMI or less); (2) the agency maintains a reasonable rent policy that supports employment and self-sufficiency; (3) the agency continues to assist substantially the same number of eligible low-income families as would have been served absent MTW authority; (4) the agency maintains a comparable mix of family sizes; and (5) all assisted housing meets HUD Housing Quality Standards (HQS). AAHC’s results demonstrate strong compliance with all statutory requirements. **A total of 98.44 percent of assisted families served were very low-income**, exceeding the MTW requirement. For the “substantially the same” requirement, Public Housing achieved **100 percent** and the Housing Choice Voucher program achieved **111.06 percent**, confirming that AAHC served more eligible families than the baseline projection. The agency is fully compliant with both the comparable mix and HQS requirements. The agency remains compliant with MTW statutory HQS requirements under the assessment criteria.
- D. **HUD New Proposed Rule:** On March 2, HUD [proposed](#) allowing PHAs and HUD-assisted owners to impose work requirements and time limits on assisted families. The NPRM would apply to the following programs: Public Housing, Housing Choice Vouchers (HCV), Project-Based Vouchers (PBV), and PBRA. HUD’s [Notice of Proposed Rulemaking \(NPRM\)](#), “Establishing Flexibility for Implementation of Work Requirements and Term Limits,” would allow PHAs to adopt work requirements [up to 40 hours per week] for adults ages 18 to 61 who are not people with disabilities, pregnant, or enrolled in higher education excluding VASH, primary caretakers, a person with a disability, a child under six, or a person who is temporarily incapacitated. The NPRM would allow PHAs and owners to establish time limits of “no less than two years” for non-elderly, non-disabled families. HUD is excluding the “HUD-VASH program, the Family Unification Program (FUP) when used by youth, and the Foster Youth to Independence (FYI) Program” from time limits under the proposed rule. Although NPRM is optional, HUD estimates that approximately 750 PHAs and 3,504 owners will adopt a work requirements or time limits policy.

On February 20, the U.S. Department of Housing and Urban Development

(HUD) [published](#) a proposed rule that would require families with mixed immigration statuses (mixed-status families) in certain HUD programs to choose between remaining together and losing their housing. “[Mixed-status families](#)” are households with at least one U.S. citizen or immigrant eligible for housing assistance living with ineligible members. Under current rules, mixed-status families can live together while receiving prorated assistance, meaning that federal rental assistance only supports eligible household members. The proposed rule would end prorated assistance for ineligible and eligible families alike.

## II. STATE & LOCAL Partnerships:

- A. **City of Ann Arbor:** AAHC will host participants of the [Emerging Leaders Program](#) (ELP) at Porters Place, 121 Catherine on October 9<sup>th</sup>. There will be a discussion on Housing Commission: mission, locations, funding, and partnerships with external groups such as Avalon Housing and a tour of Dunbar Tower will be included. The ELP is a new initiative launched by the City of Ann Arbor for city staff, designed to cultivate the next generation of leaders committed to advancing community values of sustainability, innovation, equity and excellent public service. The program is a 12-month, cohort-based learning experience designed to balance knowledge-building, practical exposure and relationship development. Monthly sessions will follow a consistent structure of reading discussion, seminar/panel, site visits, guest speakers, and team engagement. The program will culminate with participants collaborating on a team-based, capstone project to address cross-departmental issues aligned with city priorities.
- B. **Eviction Prevention:** The City of Ann Arbor provided the Ann Arbor Housing Commission with **\$289,200** to deliver direct eviction prevention assistance to eligible Ann Arbor residents. Between **January 20 and March 9**, all funds were fully expended due to high demand. During this period, AAHC received **214 applications**, of which **10 were denied** based on program eligibility criteria. A more detailed report, including demographic data, assistance types, and outcome analysis, will be provided to the Board at a later date.

## III. DEVELOPMENT

- A. **121 E. Catherine:** Construction at Dunbar Tower is complete, and the property has received a temporary Certificate of Occupancy. Maintenance and construction crews are currently completing remaining punch-list items as part of project closeout. Leasing began in mid-February to meet funding requirements that call for **30 units occupied by March 31** and an additional **30 units by April 30**. As of today, **26 units are occupied**. Staff are working diligently to process applications, approve eligible households, and schedule lease signings to ensure all occupancy targets are met. The final Certificate of Occupancy is expected to be issued in **May**.

- B. **350 S. 5<sup>th</sup>:** In December, City Council approved a \$4 million grant and a Payment in Lieu of Taxes (PILOT). In January, City Council approved a request for \$1 Million from the Office of Sustainability, a \$35 million city bond request, and a development agreement and approval of a transformational brownfield plan. In February, the Downtown Development Authority approved a \$500,000 grant. In March, the Washtenaw County Board of Commissioners and the Washtenaw County Brownfield Redevelopment Authority both approved the Transformational Brownfield Plan and Reimbursement Agreement. The City submitted a case study to SHPO, which will be followed up with a Memorandum of Understanding, related to mitigating the potential for a negative impact to the adjacent Historic District.
- 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 expanded its offices to the space vacated by IHN. In Toto Architect Firm will begin working with the Community Leadership Council on our Community Engagement Plan for Ashley and W Summit.
- G. **Arbor South:** City Council approved a Brownfield Plan on January 20<sup>th</sup> which will still trigger a requirement to include 15% affordable units. In March, the Washtenaw County Brownfield Redevelopment Authority approved the Brownfield Plan and Washtenaw County Board of Commissioners set a Public Hearing for public consideration.
- H. **Lurie Terrace:** The elevator modernization is progressing as planned. The first car is expected to be completed and inspected in March, with work on the second car beginning in April. Fire suppression drawings from Jackson Automatic Sprinkler (JAS) are under engineer review; once approved, JAS will apply for permits and begin installation, which is anticipated to continue through year-end. We are finalizing renovation drawings with Fusco, Shaffer, and Pappas, and require FSP to produce bid-drawings. Exterior renovation planning is underway with Midwest Consulting, and we are coordinating with the City to avoid triggering a full site plan review due to the associated costs. We aim to resolve these items by June to begin work this year, including replacing the rear retaining wall, improving front landscaping and sidewalks for resident accessibility, and reconstructing the

parking lot. The electrical work was delayed by weather. Directional boring is expected to be scheduled within the month, weather permitting. The generator and primary metering cabinet have been received and stored until installation. We will also be upgrading the resident badge system.

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

- February financial reports attached

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

- Primary Metering Cabinet – Lurie Terrace \$27,523.50
- Generator for Lurie anticipated cost \$95,000
- Avalon Housing \$43,451 Additional evening and weekend staffing during first 6 months of lease-up for Dunbar Tower
- Flags A1 Cleaning \$34,500 Dunbar Tower
- Rehmann Robson LLC – Auditor cost \$51,500

#### **VI. PERSONNEL**

- Staffing:** Brookanne Maitland was promoted to Residency Manager – Affordable. Property and Compliance Specialist position has been accepted by Jacqueline Brown. Maintenance Supervisor position is currently posted.
- Progressions:** No update
- Training:** Terrance Heiligh, Administrative Assistant obtained his HCV Occupancy Specialist Certification.

#### **VII. OPERATIONS**

- Mainstream Non-Elderly Disabled Voucher Program:** 213/251 (85%) 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.
- Family Unification Vouchers:** 25/32 (78%) vouchers are leased-up. AAHC works directly with DHHS for referrals.
- Emergency Housing Vouchers:** 24/24 (100%) 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.
- VASH:** 207/278 (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, Related, and Lockwood to complete the due diligence for the PBV's awarded, including Environmental Reviews, Subsidy Layering review, and Rent Reasonable analysis. We have begun to lease units with J29:7 from the last PBV RFP award.
- D. **Homeownership:** 21 HCV Homeowners. Two rental participants are currently approved for homeownership and searching for homes.
- E. **Family Self-Sufficiency:** 104 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:** HUD has completed its assessment of the Ann Arbor Housing Commission's compliance with the five statutory requirements of the MTW Demonstration Program for 2024. AAHC's results demonstrate strong compliance with all statutory requirements.
- 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: 33% Occupied at Dunbar Tower, 97% Occupied at Swift Lane, 97% Occupied at West Arbor, 97% 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. 300+ work orders completed in the last month, less than 6 vacant turns to

- complete, Dunbar Tower came online is almost halfway leased up
- ii. Creekside – No Update
  - iii. Broadway – Final draw completed for major renovations by O’Neal Construction
  - iv. Lurie – Electrically work scheduled to begin, fire suppression work has begun, as well as work to replace elevators.
  - v. West Arbor – Harper Electric has framed pads for meter consolidation and will pour concrete pads once weather allows. Homeland solar has installed solar panels on all buildings.
  - vi. Oakwood – All porches have been replaced.
  - vii. GBC solar and meter consolidation is out to bid Homeland Solar and Vetcon electric were awarded bids. Work will start once weather breaks
  - viii. State – No Update
  - ix. Siller Terrace – gables repatched and ECT is completing soil remediation. Gables completed. Testing of new soil was cleared, and the removal of the old soil and replacement has cleared.
  - x. Hikone - No Update
  - xi. All properties - City inspections have started, Washington has passed and other properties are being scheduled.