

MEMORANDUM

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

FROM: Jennifer Hall, Executive Director

DATE: January 18, 2023

I. FEDERAL

- A. The Federal Budget was adopted, including \$72.1 Billion for HUD. The Housing Choice Voucher budget increased by \$2.9 billion to \$30.3 billion, which includes an estimated pro-ration of 99% for Housing Assistance Payments (HAP) and an estimated pro-ration of 91% for Administrative Fees. Under the Moving to Work designation, the AAHC's HAP and Admin Fees are fungible, which means they are combined and can be spent on HAP and Administrative expenses. HUD estimates that all Housing Authorities will receive a 10% increase in funding.
- B. The Federal Government for the Family Self-Sufficiency program increased by \$16 million to \$175 million, which is also a 10% increase. HUD did not indicate whether the 10% increase will go to existing programs or to expand and add programs.
- C. HUD is adopting a new on-line data portal called Housing Information Portal (HIP) that is intended to streamline tenant reporting and increase efficiency. The AAHC must submit HUD form 50058 for all program participants annually and whenever the household status or income changes. The 50058 collects demographic, income, and unit data. HUD is testing the portal with database vendors before it becomes mandatory.
- D. HUD is rolling out its new National Standards for the Physical Inspection of Real Estate (NSPIRE), which will be required for the AAHC to comply with related to the physical condition of its properties.
- E. On December 27, 2022, the statutory requirement to have carbon monoxide devices in HUD-assisted rental properties began, which includes properties in the following programs: public housing, Housing Choice Voucher, Project-based Voucher, and Multifamily housing. As described in PIH and Housing Notice 2022-01, these devices are required in properties with carbon monoxide sources. All AAHC properties with a carbon monoxide source are in compliance.

II. STATE & LOCAL Partnerships:

- A. **Washtenaw County Office of Community & Economic Development:** OCED is working to update the 5-year Affirmatively Furthering Fair Housing Plan. The AAHC is a partner in the plan and the AFFH Plan will cover the AAHC as well.
- B. **City of Ann Arbor Housing and Human Services Advisory Board & City of Ann Arbor Attorney's Office:** Recommended that the City of Ann Arbor revise its Tax-Exemption for Affordable Housing Ordinance, also known as Payment in Lieu of Taxes (PILOT) ordinance. The recommendation includes adding projects that have income caps

of 80% AMI instead of 60% AMI if the project has an average income of 60% AMI. The City attorney's Office completely revised the ordinance to ensure that it was consistent with State enabling legislation.

- C. **City of Ann Arbor Information Technology Dept:** We have been working with IT to install wi-fi for residents of Lurie Terrace and the installation is finally complete. Because the City IT departments mission/purpose is to serve City staff and City properties (including AAHC staff), we are looking into a tech support for Lurie residents because IT cannot provide that kind of support. Huron Valley PACE is currently working with our residents at Lurie on technology issues.
- D. **City of Ann Arbor Human Resources & Neutral Zone:** We have been working with HR to create an apprenticeship program for our Maintenance and Facility Technician position. HR invited us to a meet and greet for the Future Corp program, a partnership between the City and the Neutral Zone to introduce youth to government employment.

III. DEVELOPMENT

- A. **121 E. Catherine:** The team submitted a site plan to the city the first week of November and is working through the various City department comments. A Resident Meeting, as required by the City Site Plan process, was held Wednesday, November 2nd at 6pm via zoom. O Neal provided a construction budget cost estimate based on the site plan submitted, and it was 55% higher than pre-COVID cost estimates. The construction estimate caused the total budget to increase from \$19 million to \$30 million. We are reviewing the construction design and materials to reduce construction costs as well as looking at additional funding sources such as 4% tax credits and bond financing. The Community Leadership Council met December 21, 2022 to talk about community-driven production with Blair Evans of Incite Focus. The CLC will be meeting on January 25, 2023 to narrow down the options for the first floor space to 1 or 2 options.
- B. **350 S. 5th:** The team is working through complicated mechanical, electrical, plumbing, security, access, common area locations and design, waste management, fire suppression and alarms, exterior building material and design, and sustainability issues. The site plan submission has not been submitted yet as we work through heating & cooling options related to electrification of the building. We are also talking to DTE about moving the transformer and other DTE equipment to a new location so that it does not impede the design of the pedestrian area between the Blake and the new bus stops on our site. The appraisal for \$6.2 million was shared with City Administration.
- C. **415 W. Washington:** PUD rezoning request, Supplemental regulations, and a Brownfield Plan was submitted to the City. The next step is Planning Commission review.
- D. **2000 S. Industrial:** I met with staff multiple times to talk about what a new office/maintenance building/s need for functionality and room to grow. MCI produced several simple design ideas (building footprint, parking, driveway and city facilities) that included housing as well.

- E. **1510 E. Stadium:** The appraisal for \$470,000 was shared with City Administration to start discussion about purchasing the site. I met with the City Fire, Police and Facilities to discuss the transition from the Fire Dept to the AAHC. The police currently store vehicles and equipment in the building that they are looking for a new home for.
- F. **721 N Main/123 W. Summit:** MCI and DMC have started the lot split process, which must be approved by the City.

IV. FINANCIAL REPORT AND UPDATE

The December 2022 financials are included

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

- \$53,045** O Neal Construction to create a room in the basement for solid waste at Baker
- \$67,580** OS1 Masonry tuckpointing, wall repair and cap at Baker
- \$36,100** SmithGroup structural engineering at Miller
- \$51,838** Medina Resources Group rebuild steps and sidewalk at Upper Platt
- \$44,250** Protect Environmental for Radon mitigation Colonial Oaks properties
- \$319,810** Robertson Morrison new chiller at Baker (On AAHDC agenda 1.18.23)
- \$90,000** SOS for voucher tenant services
- \$76,600** Huron Valley PACE for Lurie tenant services
- \$566,000** Avalon for Miller, West Arbor, State Crossing, Broadway, GBC, Maple Meadows, Baker, Seventh, and Main homeless tenant services
- \$283,000** Peace Neighborhood Center for Baker, Maple Meadows, West Arbor, Hillside Manor, S Seventh and W. Washington tenant services
- \$202,000** Community Action Network for GBC, Hikone, Creekside Court, Upper Platt and Oakwood tenant services
- \$32,000** Ozone House for Hikone, State Crossing, Miller and FUP voucher tenant services
- \$75,000** Total Turns for Housing Quality Standards Inspections

VI. PERSONNEL

- A. **Staffing:** Welcome to John Moje, Application Specialist, and Joe Kennedy, Facility and Maintenance Technician. An offer was made to a candidate for the Construction Management Position and an internal candidate is in the interview process for the Director of Housing and Economic Development and an Administrative Assistant position is open and interviews are underway.
- B. **Training:** AED’s were installed at all work spaces and staff were trained on use.
- C. **Roundtable:** Lisa Lavan, Angie Killom, and Katrisha Kelly organized a roundtable discussion with other PHA’s to discuss voucher program staff roles, caseload management, responsibilities, and policies. This activity was required to demonstrate their leadership as part of their progressions to achieve the highest level (a level 5).

VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 195/251 vouchers are leased. All 45 NED vouchers are leased up from the 2018 award and 90 NED vouchers are leased up from the 2019 award. In addition, we have leased-up 41/41 new NED allocated through the CARES Act in 2020 and we started leasing up 9/75 NED vouchers allocated from the CARES Act in 2021 and with turnover in vouchers we are re-leasing vouchers and not making very fast progress on leasing up the last 75 NED vouchers.
- B. **Emergency Housing Vouchers:** 25/29 vouchers are leased up.
- C. **Voucher Program:** A new Housing Quality Standard inspection contract was executed with Total Turns. Project-Based Voucher inspections were scheduled throughout 2023. The waitlist staff continued to pull several hundred people from the waitlist over the last several months.
- D. **Homeownership:** No update
- F. **Moving To Work:** The Resident Advisory Board met in November 2022 to provide discussion and feedback on the MTW proposed plan.
- E. **Affordable Program:** MSHDA completed a physical inspection of West Arbor and no major issues were identified.
- F. **Maintenance:**
- a. Miller fire suppression installation is complete
 - b. Broadway office and laundry conversion is underway
 - c. The City IT oversaw the hiring of a company to design the broadband connection to GBC so that it can be bid out
 - d. Protect was hired to complete all of the radon testing and install radon mitigation equipment where needed
 - e. Winter preventative maintenance continues at all properties
 - f. Snow removal contracts were executed for all properties
 - g. The front steps, back steps and sidewalk was installed for Upper Platt, including removing a curb cut and adding a ramp to the parking lot.
 - h. ADA parking was designated at 2 locations in response to tenant requests
 - i. The new sign at Baker is under installation
 - j. LED lighting conversion is complete at Miller for all common areas
 - k. 2 new electric vehicles were finally delivered after being on the waitlist for over a year. Tim is in the process of installing EV chargers at Industrial.
 - l. Continued problem with plank flooring at multiple sites shrinking and tenant-caused damage to underfloor. Considering alternative material options.
- G. **Lurie Terrace:**
- a. The Lurie Fire Suppression system is under design and we are working with the Fire Chief and Building Code official on the scope of work
 - b. A water main broke at Lurie in December requiring many hours of staff overtime by Tim Olivier, Beth Yaroch and Tom Leach to address the emergency.

- c. Roof leak was repaired and getting estimates for larger roof repair vs. roof replacement
- d. The Inspection Group did a pre-inspection of Lurie to identify issues that needed to be fixed prior to our first HUD inspection.
- e. Submitted \$20,000 grant application to the United Way requesting funds to rent vans for resident activities.

H. Finance:

- a. John Moje is working with finance staff to implement the Yardi job cost module to track construction projects, vendors and payments.
- b. Insurance renewals were completed. The increases were modest compared to 2022. The fire suppression reduced Miller's insurance by about 10%.
- c. Working on full agency budgets for the City of Ann Arbor budget process.