

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** July 22, 2025

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### I. FEDERAL

- A. **We last reported that on May 2, 2025**, the [FY 2026 skinny budget proposal](#). The budget proposes the creation of a State Rental Assistance Block Grant, which would block grant funding for Public Housing, Section 8 Tenant-Based and Project-Based Rental Assistance, Housing for the Elderly, and Housing for Persons with Disabilities to the states – and cut these programs by an overall \$26.718 billion. AAHC has not received any additional information regarding our FY25 or FY26 budget. However, [HUD reports](#) that the 2026 President’s Budget eliminates funding for the Tenant-Based Rental Assistance (TBRA) program, reducing spending by \$36 billion compared to the 2025 Enacted level.
- B. **On July 8, 2025**, the Affordable Housing Credit Improvement Act (AHCIA) were signed into law in the recently Republican-passed One Bill Beautiful Bill Act (OBBBA). The AHCIA provisions permanently provide a 12% increase in the 9% allocation of LIHTC credits beginning in 2026 and permanently reduce the private activity bond financing requirement for 4% LIHTC credits from 50% to 25% starting January 1, 2026

### II. STATE & LOCAL Partnerships:

- A. **City of Ann Arbor:** Approved the FY26 budget including \$565,000 to continue the Rising Hope program, which is administered by the AAHDC. The program is a collaboration between several nonprofits, the County Sheriff’s office and Washtenaw Housing Alliance to provide trauma-informed case management to households with a voucher who have a family member who is justice involved. The City also approved \$296,000 for the AAHDC to continue administering the Eviction Prevention Program. The City approved \$1,154,932 in funding administered by the AAHDC for non-profit supportive services to AAHC residents and program participants. And the City approved \$6,284,873 in affordable housing millage funds to the AAHDC to administer for affordable housing development and related services.
- B. **Rising Hope:** The AAHC Rising Hope program was awarded \$279,183 from a state grant from LEO to expand the existing program. For implementation of the FY25 grant we have renewed contract with all partner services providers: SOS, Catholic Charities of Washtenaw, Washtenaw Housing Alliance, A Brighter Way, and Shelter of Washtenaw County.

### III. DEVELOPMENT

- A. **121 E. Catherine:** Building framing and roof are complete. Contractor working on interiors as well as exterior cladding.
- B. **350 S. 5<sup>th</sup>:** The Citizen Participation meeting was held on June 4<sup>th</sup>. The next step is Planning Commission review and approval. MEDC invited us to apply for a

Transformational Brownfield. The project is eligible for about \$33 million in tax incentives, but there is only about \$12 million currently available for a community of our size. We are continuing to work with MSHDA to determine if we will be applying for MSHDA gap financing or not. MSHDA has offered \$8 million in gap financing, but it is federal HOME funds, which trigger Build America Buy America (BABA), which we currently estimate will increase the project costs by more than the amount of gap financing. We are also working with SME, our environmental consultants, to conduct a NEPA Environmental Review, which is required for any federal funds.

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

D. **1510 E. Stadium:** We are finalizing the design and scope with Dokes Design. We met with City Planning staff to discuss the current site plan and what variances we can request as a public property owner. We are getting cost estimates as we work through design issues.

E. **721 N Main/123 W. Summit:** The City is demolishing the buildings on the site and once that is complete, the AAHDC can acquire 123 W. Summit.

F. **404 N Ashley:** No Update.

G. **Arbor South:** The Planning Commission approved the site plan. The City Council approved the first request related to bond financing of the parking decks. The developer provided construction cost estimates, and we are vetting those numbers and looking at alternative design strategies.

#### IV. FINANCIAL REPORT AND UPDATE

May AAHC 2025 Financial Statement highlights attached

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

- No Update

#### VI. PERSONNEL

- A. **Staffing:** I am thrilled to announce that the Director of Housing and Economic Development position has been filled by Chris Nielsen, who previously worked at HUD and MSHDA. We have also filled another long-vacant Facilities and Maintenance Technician position by Darryl Taylor who recently moved back to Michigan. And we have hired a tenant, Deandre Weems, to work with the Facility and Maintenance staff.
- B. **Progressions:** Congratulations to Peter Dietrich, Property and Compliance Specialist, who passed his level IV progressions.
- C. **Training:** Peter Dietrich completed a LIHTC Management certification. Arin Yu completed a development training through CEDAM. Tierra Clark completed a Blended (LIHTC and PBV) Occupancy Specialist certification.

#### VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 234/251 (93%) vouchers are leased. HUD's goal is to have at least 82% leased up.
- B. **Family Unification Vouchers:** 27/32 vouchers are leased-up. AAHC works directly with DHHS for referrals.
- C. **Emergency Housing Vouchers:** 25/29 vouchers are leased-up. EHV vouchers are not eligible for reallocation therefore, as participants leave the program the voucher will not be reissued and therefore only 25 of the original 29 vouchers are available moving forward. HUD recently announced that the program will continue to receive funding through FY26. Participants will be transitioned to the regular HCV program once EHV funding is exhausted.
- D. **VASH:** 198/278 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:** 2/6 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:** The waitlist staff continued to pull several hundred people from the waitlist over the last several months to lease 100% of Mainstream Vouchers. AAHC is exempt from completing the annual SEMAP report due to our new designation as a MTW agency. An RFP for Project-Based Vouchers was issued and the following projects were awarded, with conditions: Avalon Housing 7 total PBVs targeted toward homeless and extremely low-income families. Related Midwest 110 total PBVs targeting extremely low-income families. MHT Housing 8 PBV: Avalon Housing 5 PBV Hickory Way. The following project is tentatively selected to receive awards contingent on the owners commitment to target extremely low-income families: Lockwood Properties 5 total PBVs. Combined AAHC awarded 135 PBVs.
- D. **Homeownership:** Three homeownership closings were delayed related to construction and inspection scheduling at Dorsey Estates. We expect families to close in July and August. An additional participant currently is looking to purchase his current rental unit.
- E. **Family Self-Sufficiency:** 106 families currently participate in the FSS program. AAHC partners with the Bank of Ann Arbor to offer Financial and Money Management workshops. Workshops are held in six-week sessions.
- F. **Moving To Work:** As of July 7, 2025, the MTW Supplement Plan has been finalized and accepted by HUD.

As part of our landlord incentive initiatives, AAHC partners with University Lending Group to provide landlord workshops. The workshop scheduled June 26, 2025, has been rescheduled for mid-September, a final date is yet to be determined. Landlords will discuss 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 June 2025, the occupancy rate for each project is as follows; 99% Maple Tower, 98% River Run, 93% West Arbor, and 99% Swift Lane.

**H. Maintenance:**

- a. Siller – Working with contractor to replace gable vents with siding.
- b. Broadway renovations underway: Completed insulation, windows, and plumbing. A contract was signed to level out a concrete pad next to building 1506 to ensure water flows away from the building. Currently we are working with the City Building department to schedule final inspections.
- c. Miller - A Request for Proposal was issued to replace the roof, add solar panels, make wall repairs and complete additional radon mitigation. We received 2 bids, a contract has been selected, currently awaiting approval from the AAHDC to grant the contract.
- d. Lurie - A Request for Proposal was issued to replace the elevators and 2 bids received. Bid was given to Elevator Services and work to start in fall of 2025.
- e. Lurie – received final site plan design for the front lawn of Lurie Terrace to create a fully accessible path to the sidewalk on Huron from the main door. We are currently working on getting a General Contractor to oversee multiple projects and line up.
- f. 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.
- g. West Arbor - Contracts were executed for consolidated electric meters and solar panels. The contracts were temporarily on hold until we received confirmation from HUD that our federal EDI grant was still available to draw down. Discussed starting to install Solar, but the electrical equipment to consolidate meters are on back order to fall.
- h. West Arbor’s slab on grade for some of the apartment buildings have settled, causing a change in elevations for the first floor. We consulted with several companies and determined that 7 apartments will require additional fill material to level them out. Currently, 2 units are complete, waiting to get on the schedule with mud jacking company to complete the remaining units.
- i. TJ Irvine, Beth Yaroch, and Tom Pierce are working on a capital needs assessment of all properties to determine the FY26 priorities for capital improvements. Completed assessment and started working on projects.
- j. Maintenance Technician are working daily to keep up with daily operations, preventative maintenance and unit turns. Staff complete around 10 work orders a day, have started preventative maintenance projects, and we have 8 vacant units we are working on now to have them completed within 30-day window.
- k. Oakwood – getting a bid to replace all the porches. We received 1 bid, however, we are looking for multiple quotes for comparison.
- l. All properties – getting bids for concrete grinding and seal and striping of parking lots. Several properties – will have paint repairs on the exterior doors and windows of the units, in addition to repairing exterior lights at specific sites. Signed bid for concrete repairs and sealing/striping. 1 property is complete for exterior paint, about halfway on another. Made exterior lighting repairs to 2 sites.
- m. State Crossing – getting a quote to fix sagging internal stairs and to add a concrete pad for a exterior bike rack. Staircases are complete, waiting on schedule for bike pad and rack installation.
- n. Creekside – fixing a couple patios with a negative grade. A leveling company assessed the patios, but complete replacement will need bids to address this repair.