

## MEMORANDUM

**TO: Housing and Human Services Advisory Board**

**FROM: Jennifer Hall, Executive Director**

**DATE: September 12, 2019**

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### I. RAD REDEVELOPMENT

- A. Swift Lane (Creekside Court and State Crossing):** consists of 2 sites: State Street on the corners of White/State/Henry near Stadium Bridge & Creekside Court on the 3400 block of Platt Road about 1/2way between Packard and Ellsworth.

**State Crossing:** 28 public housing units were demolished and 32 new apartments (23 1-bdr, 10 2-bdr) and a community center are under construction. The underground storm water, water and sewer have been installed, foundations have been poured and vertical construction should begin by next week. All 10 of the first floor apartments are fully ADA compliant including automated door openers and high impact drywall. Avalon will be providing on-site services. 5 units will be reserved for Chronically Homeless Frequent Users of Emergency Services and 16 units will be reserved for other special needs tenants.

**Creekside Court:** 4 public housing units and a market-rate duplex were demolished and 32 new apartments and a community center are under construction (8 1-bdr, 12 2-bdr, 6 3-bdr, 2 4-bdr, and 4 5-bdr). Community Action Network will provide on-site services. 3 units will be reserved for Homeless Veterans through VASH. 5 units will be ADA compliant and 17 will be visitable (no step entry, 1<sup>st</sup> floor bathroom, 1<sup>st</sup> floor bedroom). The underground storm water, water and sewer are getting installed this week and foundations will be poured in the next 2 weeks.

Construction will continue until the summer of 2020. Certificates of Occupancy are scheduled for July to Oct 2020.

**Green and Energy Efficiency Standards:** 6” Wall framing with R-21 insulation, Energy Efficient Windows, high efficiency furnace and air-conditioning, energy star range hood, programmable thermostats, attic fans, low-flow plumbing fixtures, tankless water heaters, LED lights and photocells on exterior parking lot lights, and solar panels.

Creekside Community Center will have SIP Panel Construction, skylight, entry vestibule, heated concrete flooring, ceiling fans, occupancy sensors, and a rain barrel.

- 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.

**1504 & 1506 Broadway:** Are the only remaining AAHC apartments (12 1-bdr units) that have not been redeveloped. Based on the cost of redeveloping 1508 Broadway, the total development costs are expected to be approximately \$1 million.

## II. City of Ann Arbor:

- A. City Council FY20 Budget:** was approved the budget on May 20, 2019. The City Administrator included \$380,000 in the AAHC's operating budget (\$160,000 for AAHC operations and \$220,000 operations and non-profit service support) which City Council approved. In addition, the Administrator included \$300,000 for mental health services provided by our non-profit partners which was also approved by City Council. These funds are critical for tenant housing stabilization. Contracts were executed with Avalon, Peace Neighborhood Center, Washtenaw County Community Mental Health, SOS, Community Action Network, and Ozone House to provide on-site comprehensive community building, crisis management, case management, youth services and economic self-sufficiency services to tenants as well as eviction prevention services for tenant-based voucher participants. In addition, we contracted with Food Gatherers to provide on-site hot lunch and food pantry at Baker Commons 5 days/week.
- B. City Owned Properties:** City Council directed Howard Lazarus to work with the AAHC to determine the feasibility of developing affordable housing on under-utilized city-owned sites.

2000 S. Industrial (public works site and AAHC offices)  
1510 E. Stadium (fire station #2 no longer used as fire station)  
3432 – 3440 Platt (vacant parcel acquired by AAHC)  
121 Catherine (surface parking lot on corner of Catherine/4<sup>th</sup>)  
721 N Main (vacant public works site)  
337 S. Ashley (surface parking lot corner of William/Ashley)  
404 N Ashley (city office building currently used by UM Dental Clinic)  
350 S 5<sup>th</sup> (former Y site)  
415 W Washington (vacant public works site)

350 S 5<sup>th</sup> and 415 W Washington were pulled from the list above to conduct a separate and soon to begin public engagement process around the redevelopment of these sites.

The analysis is to determine the financial feasibility of each of these sites based on current and proposed rezoning, appraisal, legal constraints, environmental issues, and funding constraints. The final analysis will include a site by site recommendation to City Council which could include 100% affordable units, mixed-income and/or mixed use, or sale of the property to use the proceeds to support the financial feasibility of developing affordable housing on another site.

## III. 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. New HUD Mainstream Non-Elderly Disabled (NED) Notice of Funding:** HUD issued a new NOFA and the AAHC applied for 200 additional vouchers in partnership with Washtenaw County Community Mental Health, Center for Independent Living, Avalon, Safe House, Shelter Association of Washtenaw County, Michigan Ability Partners, Washtenaw County Continuum of

Care, SOS, Salvation Army and Interfaith Hospitality Network. HUD will be issuing a 3<sup>rd</sup> NED NOFA and only PHA's who were awarded in the 1<sup>st</sup> or 2<sup>nd</sup> NOFA are eligible to apply.

D. **Veterans' Affairs Supportive Housing Vouchers:** The AAHC administers 226 voucher, 205 are leased up and 7 additional households were referred by the VA and are in process. The VA would like to transition 26 current VASH tenants out of VASH and into a regular voucher program in Toledo because they no longer need case management services. We applied for 10 additional new vouchers from the VA in August 2019.

E. **Family Self Sufficiency Program:** The AAHC has funding from HUD for 2 FTE's to enroll a minimum of 99 FSS participants. Participants who increase their employment income while in the program, will see an increase in their portion of rent, and this increase is matched by the AAHC and deposited into an escrow account. Once the family graduates from the program, they are entitled to their escrowed funds. The AAHC currently has 115 FSS participants and 98 are escrowing funds.

#### IV. FEDERAL

A. **2019 HCV Administrative Fees:** HUD announced on May 30, 2019 that HUD would be paying Administrative Fees pro-rated at 79% of eligibility for Jan 2019 – June 2019.

B. **2019 HCV Housing Assistance Payments (HAP) Shortfall:** The AAHC is in shortfall, and is projected to be just over \$1 million short in HAP through December 2019, which is about 1 month of HAP. We cannot pull any new families from the HCV waitlist during shortfall. The only tenants we can lease-up are for special programs including VASH, FUP, NED, VAWA, and PBV. Due to natural attrition, this will lower the number of households we serve each month until December 2019, which will decrease monthly rent subsidy expenses. HUD will make us whole for the year. When we get closer to the end of the year, HUD and the AAHC will project what the shortfall will be for December with a small cushion, and then HUD will make us whole and provide enough funds to cover December's HAP. We can request additional funds in January 2020 if it turns out we were still short in December 2019 even after HUD provides shortfall funding. This can happen due to tenant rent adjustments that are retroactive, which is why we need to include a small cushion.

C. **Fiscal Year 2020:** Congress and the White House struck a deal to increase domestic and military spending in FY20 by \$320 billion, requiring the debt ceiling to be lifted as well. Appropriations for the HUD budget have not been adopted yet. The House submitted a budget that included an increase of \$1.09 billion increase (5%) in housing assistance payments for the Housing Choice Voucher program and a \$39 million increase (2%) in Administrative Fees.