

## MEMORANDUM

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

**FROM:** Jennifer Hall, Executive Director

**DATE:** August 20, 2025

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### I. FEDERAL

- A. **Federal FY26 Budget:** Congress is in recess and will be discussing and adopting a budget when they are back in session. Proposals ranged from significant cuts in the Presidents budget, to level rent subsidy funding and moderate cuts in administrative fees and the FSS program in the House budget, to increases in voucher funding in the Senate's budget.
- B. **RAD Rents:** HUD invited the AAHC, along with a limited number of other early adopters of RAD to submit documentation to allow us to increase RAD rents that were limited by the RAD regulations in place at the time of our Public Housing Conversions. Once our new rents are approved, the increase in rent take effect at our annual HAP contract renewal and must come out of our existing FY25 reserves the first year, and after that the budget will be increased to cover them. Our largest projects, Maple Tower and River Run, have HAP renewal dates of October 1<sup>st</sup>. These rent increases will enable the agency to cover unpredictable operating costs such as insurance and utilities, build up a capital reserve, and hire additional staff.
- C. **Garden Circle:** Was approved for RAD conversion under the Section 18 Demo/Dispo program. The property will convert to a Project-Based Voucher and the existing residents will be able to continue to reside in the house as long as they continue to remain eligible for the voucher program. The AAHC will now be able to close out our public housing program.

### II. STATE & LOCAL Partnerships:

- A. **City of Ann Arbor:**

### III. DEVELOPMENT

- A. **121 E. Catherine:** Construction is on schedule.
- B. **350 S. 5<sup>th</sup>:** MSHDA will be allocating \$8 million in gap financing that does not trigger BABA, under its strategic initiatives program, which enables the project to utilize MSHDA's 4% LIHTC direct lending program. MEDC invited the AAHC to apply for Transformational Brownfield funds. There are currently about \$12 million available. The project was presented to the Washtenaw County Brownfield Authority last week. The developer is in negotiation with several investors related to the LIHTC equity. We continue to work through site plan issues with city departments to ensure that our project is in compliance with local codes.
- C. **2000 S. Industrial:** No update

D. **1510 E. Stadium:** The cost estimates are exceeding \$1.2 million, which is not a good investment of our limited resources for a short-term office/maintenance solution. Consequently, we are exploring alternative options again.

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:** We are working with the developer on finalizing construction costs, financing and legal issues.

H. **Lurie Terrace:** Now that we have owned Lurie Terrace for 4 years, we understand the condition of the building, the needs of the residents, and the building needs major renovations that exceed the available funds generated by operations and capital reserves. Consequently, a 9% LIHTC application will be submitted for the October 1, 2025 round. The architectural firm, Fusco, Shaffer and Pappas was hired to evaluate the building to identify the full scope of work needed, MCI is doing the civil engineering, and O’Neal Construction is doing the cost estimating.

#### IV. FINANCIAL REPORT AND UPDATE

The June 2025 financial statement will be included in the next board meeting

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

- No Update

#### VI. PERSONNEL

- A. **Staffing:** No staffing changes. The Occupancy Specialist – Waitlist position was posted for Lurie Terrace.
- B. **Progressions:** Congratulations to Courtney Cox, Accounting Specialist, who passed her level IV progressions; Greg Walker and Joe Kennedy, Facility and Maintenance Technicians, have completed their Level V progressions – which is the highest level that can be completed.
- C. **Training:** Travis Ransom and Darryl Taylor are completing their Certified Apartment Maintenance Technician (CAMT) training. Eli Boddy, City Human Resources Deputy Director, is working with the management team to ensure that we have all the HR resources and training needed.

#### VII. OPERATIONS

- A. **Mainstream Non-Elderly Disabled Voucher Program:** 246/251 (98%) vouchers are leased. HUD’s goal is to have at least 82% leased up. It appears that this program will be in shortfall in 2025 and AAHC staff are working with HUD to request approximately \$150,000 in additional funds. No new applicants from the waitlist can be pulled while the program is in shortfall.

- B. **Family Unification Vouchers:** 27/32 vouchers are leased-up. AAHC works directly with DHHS for referrals.
- C. **Emergency Housing Vouchers:** 25/25 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.
- 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:** All waitlists are closed except specialty vouchers FYI, FUP and VASH. Staff are working with Avalon, MHT, J29:7, Related, and Lockwood to complete the due diligence for the PBV's awarded, including Environmental reviews, Subsidy Layering review, and Rent Reasonable analysis.
- D. **Homeownership:** Two homeownership closings occurred at Dorsey Estates with a 3<sup>rd</sup> one to close this month. An additional participant 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 July 2025, the occupancy rate for each project is as follows; 97% Maple Tower, 97% River Run, 98% West Arbor, and 100% Swift Lane.
- 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. **Procurement:** A new software program, Housing Agency Marketplace, was purchased to manage large procurement projects, particularly major capital improvements. The

software integrates federal procurement regulations and was designed specifically for PHA's.

**J. Maintenance:**

- a. Creekside – a basketball hoop and fence will be installed in the parking lot for the youth
- b. Bid solicitation for Snow removal contracts for all sites are underway
- c. Broadway renovations underway: 1504 building is complete and residents are moving in, 1506 building will be complete this month
- d. Miller – The A/C at Miller that serves the Avalon services offices and AAHC property management offices went out during the hottest week of the year. It took several weeks for the new equipment to arrive, but it was finally installed, to relief of everyone working in those spaces.
- e. 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.
- f. West Arbor – Solar installation will start by September.
- g. 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 and the rest will be completed this week.
- h. 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.
- i. 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.
- j. Oakwood – a contract was executed to rebuild the decks
- k. 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.
- l. State Crossing – A new bike pad and bike rack installed
- m. Creekside – fixed a couple patios with a negative grade.