

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: April 15, 2020

I. FEDERAL

A. COVID-19 CARES Act: The CARES Act includes an additional \$850 million for administrative costs and other expenses for activities including those to “support and maintain the health and safety of assisted households” and to retain and support participating landlords. HUD indicated on a nationwide phone call that they intend to distribute these additional funds to housing authorities primarily by allocating an additional 2 months worth of administrative fees to all PHA’s, which is about \$200,000 for the AAHC. HUD has not issued any specific guidelines on how the funds can be used, but it appears that the types of eligible activities will be broad.

Thusfar, the AAHC has incurred additional costs for telecommuting technology, office supplies, cleaning supplies, food and basic hygiene supplies for tenants, additional staffing for service providers, security guards at Baker and Miller, hotel rooms to isolate family members who have COVID-19 from those who do not, and providing rent and fee concessions to tenants who were in the eviction process for non-payment of rent when the Governor issued the stay at home order. Staff are discussing how to assist voucher tenants living with private landlords and to incentive private landlords to participate in the voucher program. Some ideas are to provide assistance with security deposits, application fees, late fees, damage fees and court fees. We are also considering incentives to recruit new landlords to participate in and stay in the program.

The CARES Act also included \$400 million in additional Housing Assistance Payments (HAP). The additional HAP funds will be distributed through HUD’s normal shortfall application process. AAHC staff have proactively contacted tenants with work related income to find out if they have lost jobs or reduced hours so that an interim income certification can be completed retroactively to the date the income was lost. An interim income certification will reduce the tenant’s portion of the rent and increase the HAP. Consequently, we will apply for additional HAP shortfall funds from HUD.

The CARES Act gave HUD broad discretionary authority to waive regulatory requirements and HUD published a notice on April 10th, listing a menu of waivers that each PHA can choose to adopt in response to the pandemic. Most of the waivers are exactly the response the AAHC took in March in response to the pandemic such as taking tenant affidavits by phone and followed up with a written affidavit in lieu of getting 3rd party verifications. **See attached PIH Notice 2020-05.**

B. Public Charge Rule: As reported by the National Association of Housing Redevelopment Organizations (NAHRO), the Supreme Court allows the new Public Charge Rule “to be implemented in most of the country—except Illinois where it is still blocked. The rule states that any individual seeking a green card to become a lawful permanent resident (and

individuals within the United States who hold non-immigrant visas and wish to extend their stay in the same non-immigrant classification or change their status to a different non-immigrant classification) is inadmissible if they are likely to become a public charge.

The rule defines a “public charge” based on the receipt of financial support from the general public through government funding, including federal rental assistance. The individual would need to receive one or more designated public benefits, including but not limited to federal rental assistance, for more than 12 months in the aggregate within any 36-month period to meet the threshold”.

II. STATE & LOCAL Partnerships:

A. City of Ann Arbor FY21 Budget: I presented our FY21 budget request at the March 23rd budget work session. **See attached powerpoint.** The Interim City Administrator is including the following general fund and mental health millage funding in his budget for the AAHC:

- a. \$535,000 in mental health and other supportive service funding
- b. \$160,000 in recurring operating support
- c. \$250,000 for sustainability and accessibility features at Swift Lane
- d. \$140,000 to continue due diligence items on city-owned properties that are not in the downtown and to hire a development consultant
- e. \$315,000 for an acquisition project

B. City of Ann Arbor Downtown Development Authority FY20 & FY21 Budget: The DDA Board passed a resolution to provide \$205,000 for Community Engagement, a downtown parking study and a downtown market study for the redevelopment of city-owned properties that are in or near the downtown. The funding was contingent on an amendment to the DDA ordinance to ensure that DDA Affordable Housing funds are consistent with city housing goals of 60% AMI or less households and to ensure that the funds can be used for planning activities related to development. **See Attached Ordinance Amendment.** In addition, the DDA included funding in its FY21 budget for pre-entitlement activities related to developing downtown city-owned properties as affordable housing.

C. City of Ann Arbor: City Council approved \$200,000 in funding to the AAHC to respond to additional costs related to COVID-19. **See attached resolution.** The City of Ann Arbor is applying for FEMA funding and the AAHC can apply as a sub-applicant for up to 75% reimbursement. FEMA reimbursement will go back to the City for any expenses that were originally paid for by the City. FEMA reimbursements for staffing costs will go back to the AAHC.

D. Human Rights Commission: The Human Rights Commission, Housing and Human Services Advisory Board, and Legal Services of South Central Michigan recommended that City Council amend its Non-Discrimination Ordinance to clarify: 1) the definition of source of income to make clear that the City’s ordinance prohibits landlords from discriminating against prospective renters based on their source of income, including government housing vouchers, child support, and Veterans Administration payments. 2) Adding ethnicity as a protected class. 3) Adding an exception to allow businesses and other City entities to provide discounts to veterans. Thank you to Sam Bagenstos for attending the Human Rights Commission meeting with me and providing his recommendations to

the HRC. The Ordinance amendment passed the first reading at City Council on April 6th and the public hearing and second reading is on the April 20th Council agenda. **See attached.**

- E. Ann Arbor Economic Development Corporation:** The EDC would like to work with the AAHC to increase the development of affordable housing. We are currently discussing ways the EDC can support our efforts, since it does not appear that they can directly fund affordable housing projects. Some ideas include developing and marketing surveys, plans, and community engagement activities to support the development of affordable housing and mixed-use projects.

DEVELOPMENT

- A. Swift Lane (Creekside Court and State Crossing):** Construction temporarily stopped due to the Governor's Stay at Home Order. The only construction activities allowed are for weatherproofing a building such as putting a roof on, doors and windows. These weatherproofing activities will continue until full construction activities resume.
- B. City-owned properties:** The Community Engagement process for 415 W Washington and 350 S. Fifth Avenue have wrapped up and the results were presented to City Council at the March budget session. A resolution will be on the April 27th Council meeting directing the AAHC to work with City planning staff to start the pre-entitlement process for these 2 sites. See attached resolutions. City council added 353 S Main to the financial feasibility analysis and the April 20th Council meeting includes a resolution to add this site to the Community Engagement process. **See attached resolutions.**
- C. Ann Arbor Affordable Housing Corporation:** A new non-profit is being created with the assistance of Dykema Gossett to facilitate the acquisition or new construction of future development projects.

IV. FINANCIAL REPORT AND UPDATE

March financial reports are included

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

\$93,082 increase in contract with Teachout Security to provide 24/7 security guards at Baker Commons.

\$3,024/week for Liberty Security to provide security guards at Miller Manor for 112 hours/week.

\$36,118 Solar Carpet Miller common area flooring

\$25,360 Somerset Paving to repair a portion of Maple Meadows parking lot and replace the basketball court.

VI. PERSONNEL

- A. Staffing:** Welcome back to Curtis Morris who previously worked for the AAHC as an Occupancy Specialist in the Voucher Program. Curtis is stepping down as the AFSCME President and re-joining the AAHC. He will fill the open position recently approved by City Council to manage the new HUD award of 90 Non-Elderly Disabled (NED) Vouchers and other specialty vouchers.

- B. **Union Progressions:** Congratulations to Misty Hendershot, Makia Slaughter, Sharice Miller and Marilyn Watson who all completed their Level 3 progressions and Lisa Lavin who completed her Level 2 & 3 progressions.
- C. **Training:** All AAHC staff who use HUD's Enterprise Income Verification (EIV) system are taking mandatory twice/year security training in order to use the system.

VII. OPERATIONS

- A. **Family Unification Program:** All 32 FUP vouchers are leased up.
- B. **Non-Elderly Disabled Voucher Program:** All 45 NED vouchers are leased up from the 2018 award. 16/90 NED vouchers are leased up from the 2019 award.
- C. **Maintenance:** New floors were installed in the older areas of the first floor at Miller Manor including the Community Room. All the walls at Baker and the first floor at Miller were painted.
- D. **COVID-19:** Tenants were notified by mail and on the AAHC's website and main phone line voicemail that the offices are physically closed until further notice. However, the AAHC is still operating at near full capacity. Maintenance staff are rotating on-call 24/7 to respond to emergency work orders only. Maintenance are also doing weekly large trash pick-up and unit turns. All other staff are working full time from home and communicating to tenants through phone, email, mail and fax. Additional locked drop boxes were added to 7 locations for tenants to drop off checks and paperwork. Additional forms were added to the website and hard copies outside the office at Miller.
- E. **Homeownership:** Two new voucher program tenants have purchased homes; and will use their voucher subsidy to cover a portion of their mortgage payments.