

MEMORANDUM

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

FROM: Jennifer Hall, Executive Director

DATE: May 18, 2022

I. FEDERAL

- A. HUD sent the attached Notice of Funding reconciliation for the CY2021 and after they completed the reconciliation, it showed that we needed additional HAP funding and we were not in fact under-leased like the HUD letter to the Mayor indicated in February 2022.
- B. On May 11, 2022 HUD issued the FY2022 budget (Jan – Dec 2022), which is also attached. There are 2 budgets, one for our regular voucher program which also includes VASH and other specialty vouchers and a 2nd budget just for Mainstream vouchers, which are vouchers for households with a non-elderly member with a disability. The HUD voucher budget is always challenging to manage because it typically is not awarded until several months after the fiscal year has started. And the funding is based on the number of vouchers that were leased up in December of the previous year, not based on the number of vouchers allocated to the AAHC from HUD. As the market gets more expensive, the AAHC is paying a higher rent subsidy on average, the funds are spent faster and it therefore it means we serve fewer households. The AAHC has not had enough funding from HUD to lease up its entire unit allocation in the 12 years I have been at the AAHC. Every month new people are pulled from the waitlist, new people are leasing up, people are leaving the program, people's incomes are changing, and people are moving to different units. Consequently, every month the HAP expenditures change and it is impossible to plan and spend the exact budget amount allocated by HUD.
- a. The CY2022 Housing Choice Voucher budget increased to \$17,028,194 for a total of 1,938 vouchers, compared to \$16,572,935 in CY2021, which was only enough to fund 1,777 of 1,938 vouchers allocated to the AAHC. The AAHC has 161 more vouchers allocated to us than we leased up. I recommend that we continue to try to lease these vouchers because they are needed in the community. If we end up in a shortfall, we will request more funding from HUD.
 - b. The Mainstream Voucher budget is \$1,384,171. The amount allocated is slightly more than the amount spent in CY2021 of \$1,342,085. The AAHC was awarded 4 separate Mainstream vouchers allocations in 2019, 2020 and 2021 for a total of 251 vouchers. The AAHC has been leasing these up as fast as we can. The AAHC still had 149 newly allocated Mainstream vouchers that we are in the process of leasing. In fact, as of April 2022, the AAHC has already leased a total of 163 Mainstream vouchers. If we continue to try to lease these vouchers up, we will be in shortfall again in CY2022. I recommend that we do continue to try to lease these vouchers because they are needed in the community.

II. STATE & LOCAL Partnerships:

- A. **Ann Arbor City Council:** Approved a \$26 million ARPA budget after several months of community engagement. City Council approved \$1 million for acquisition of housing for homeless households and \$3.5 million for acquisition and services for housing up to 60% AMI households.
- B. **City of Ann Arbor Office of Sustainability and Innovation:** The City is investigating the possibility of creating a community-owned utility that provides electricity through local solar and battery storage systems installed on homes and businesses throughout the city. The SEU will provide 100% clean, reliable, locally built, and affordable electricity. For more information please see the attached document or the City's [website](#).

III. DEVELOPMENT

- A. **121 E. Catherine:** The DDA has bid out the infrastructure work on Catherine to include upgrading the water line on Catherine to size it appropriately for the site. The Geotech report was completed for 4th Avenue to determine if it was suitable to hold the weight of fire trucks. An application was approved by the Downriver Brownfield Authority to pay for a Phase II Environmental study. We met with an architect who specializes in trauma-informed care to discuss design features. We met with Yodit Mesfin Johnson, Director of the New Center and Managing Partner of TMJ & Associates to discuss ways to engage the African American community around the design and use of Catherine which led to a larger discussion about the historical harm the government has caused the Black community and the need for community healing. We entered into a contract with YMJ & Associates to organize a Black Community Leadership Council to engage with us on redevelopment, particularly at Catherine because it is in the heart of the historically Black business district. We want to ground the discussion on the history of the neighborhood and build trust and accountability so that we can partner on making the project meaningful and beneficial to the Black community.
- B. **350 S. 5th:** City Council approved the PUD and Supplemental Regulations. The next step is to issue a RFP for a co-developer. SmithGroup will continue as the architect for the project.

IV. FINANCIAL REPORT AND UPDATE

The April 2022 financial report is attached

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

\$40,000 Macon Engineering 121 Catherine Project
\$75,000 DMC Real Estate Services
\$25,480 Ann Arbor Lawn Care for Colonial Oaks properties
\$75,000 YMJ & Associates 121 Catherine Project
\$33,910 Vetcon electrical installation for cameras at Hikone, GBC and Baker
\$36,470.88 Solar Carpet – Miller Manor

VI. PERSONNEL

- A. **Staffing:** Welcome to Amya Gray, who was hired as an Administrative Assistant at the Miller Administrative Offices. Welcome to Karen Caffery, who was hired as the Housing Manager for Lurie Terrace. There are currently 2 positions posted: Occupancy Specialist - Waitlist and Facility and Maintenance Technician.
- B. **Training:** Greg Walker and Kristina Hudson are taking a multi-month long Certified Apartment Maintenance Technician training.

VII. OPERATIONS

- A. **Non-Elderly Disabled Voucher Program:** 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 5/75 NED vouchers allocated from the CARES Act in 2021.
- B. **Emergency Housing Vouchers:** 24/29 vouchers are leased up.
- C. **Voucher Program:** The Voucher Program is continuing to work on leasing up vouchers (regular section 8, Non-Elderly Disabled (NED) and Emergency Housing Vouchers (EHV). The response rate from applicants continues to be low.
- D. **Moving To Work:** Staff are attending HUD trainings on finances, policies and procedures. Finance must start reporting MTW HAP expenses in HUD's financial system starting in May 2022. Finance must start using MTW financial reporting starting in July 2022. Weneshia is setting up discussions with landlords to explore and learn what types of policy changes would assist in increasing landlord participation in the voucher program.
- E. **Affordable Program:** The team completed a retreat with the maintenance and waitlist staff to identify processes that are working and processes that we can improve. Management staff are working with Affordable, Maintenance and Waitlist staff to implement the recommendations that came out of the retreat process. Swift Lane received its first tenant file audit from our investor and the audit process went extremely well.
- F. **Maintenance:** A Capital Needs Assessment was conducted at Hikone, Green-Baxter and Maple Meadows. Garden's REAC inspection was completed and 1 safety violation was corrected in 24 hours (exposed wire on outside of house).
 - a. A Request for Proposal was released for fire suppression installation at Miller Manor. RFP's for Lurie Terrace and Baker will follow shortly.
 - b. New flooring was installed on the 6th and 7th floor of Miller Manor
- G. **Lurie Terrace:** The Critical and Non-Critical Repairs are all completed and approved by HUD. A request was submitted to HUD to release \$200,000 in COVID operating reserves.