

MEMORANDUM

TO: Board of Commissioners
Ann Arbor Housing Commission

FROM: Jennifer Hall, Executive Director

DATE: October 17, 2018

I. FEDERAL

- A. Fiscal Year 2018:** The President signed a Continuing Resolution to continue funding for HUD and other departments through December 7, 2018.
- B. Fiscal Year 2019:** No update and no budget adopted.
- C. Moving to Work (MTW) Demonstration Program:** HUD is requesting letters of interest from Housing Authorities to apply for Moving to Work designation. The MTW program was first authorized in 1996 and was expanded in 2016. To apply, an agency must be a high performer and meet program size and regional location requirements.

The MTW Demonstration Program was first established under the 1996 MTW Statute to provide statutory and regulatory flexibility to participating PHAs under three statutory objectives:

- reduce cost and achieve greater cost effectiveness in federal expenditures;
- give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- increase housing choices for eligible low-income families.

In addition, the MTW programs must:

- ensure at least 75% of families assisted are very low-income (50% AMI)
- establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;
- continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
- maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
- ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

The 2016 MTW Expansion Statute requires that HUD increase the MTW Demonstration Program by 100 PHAs over seven years. Per the 2016 MTW Expansion Statute, PHAs selected must be high performers and represent geographic diversity across the country. Further, these PHAs may administer HCVs only, public housing only or HCVs and public housing, but must fall within the following categories:

- no less than 50 PHAs shall administer 1,000 or fewer aggregate authorized public housing and HCV units;

- no less than 47 PHAs shall administer 1,001-6,000 aggregate authorized public housing and HCV units;
- no more than 3 PHAs shall administer 6,001-27,000 aggregate authorized public housing and HCV units;
- no PHA shall be granted the designation if it administers in excess of 27,000 aggregate authorized public housing and HCV units; and
- five of the PHAs selected shall be agencies with portfolio awards under the Rental Assistance Demonstration (RAD).

The first step is to send a letter of interest to HUD along with supporting documents. HUD will review these letters and if the AAHC meets the eligibility requirements, then our application will be selected randomly by lottery for the opportunity to apply for MTW designation. The second step is to complete a full application to HUD.

II. STATE & LOCAL Partnerships:

- A. Non-Elderly Disabled Vouchers:** The AAHC will be providing 2 trainings for our local non-profit partners on how to assist their clients to apply to the NED waitlist when it opens November 12th to November 16th. The AAHC will randomly draw 300 applications who applied to be on the waitlist. Once we have established the official NED waitlist, the AAHC will start contacting applicants to complete the income certification process. We will work closely with our partners to assist eligible households to lease-up.
- B. City of Ann Arbor Sustainability Department:** The City's new office of Sustainability is working with Tim Olivier and I to achieve the goal of redeveloping our properties to minimize greenhouse gases and increase energy efficiency. The Sustainability Office is requesting that Council allocate a portion of the millage funding for sustainability toward redevelopment of AAHC properties with these goals in mind. Since we are currently redeveloping 1508 Broadway due to the sewer collapse, we are focusing on this property first. We will be requesting additional funding to convert appliances from gas to electric, add insulation, and install solar panels

III. RAD REDEVELOPMENT

- A. Swift Lane (White/State/Henry and Lower Platt):** Continuing due diligence with HUD; JP Morgan Chase, our construction lender; Cinnaire, our permanent debt lender; and Regions, our LIHTC investor. We have weekly meetings scheduled with each of these entities and all of our attorneys to go through all of the due diligence items. Due diligence includes items such as reviews of the survey, marketing study, legal descriptions, environmental documents, financing etc. Our goal was to close in October, but it seems unlikely at this point. We are hoping to close in November.
- B. Oakwood/W Washington:** The bid for exterior work at Oakwood was awarded to Michigan Hardscapes and work has commenced.
- C. Broadway:** City Council approved a request for up to \$300,000 to repair and replace the sewer, water, and electric at Broadway as well as add insulation and other energy saving devices and repair all the drywall, flooring and cabinets that will be damaged while replacing the sewer, water and electric lines. Tim Olivier is putting a bid package together to be bid through the City of Ann Arbor's access to the Michigan Bid System, which is a state-wide procurement system for public agencies. The process has been delayed by a

few weeks while we work with the Sustainability Office to change the scope (see above).

IV. FINANCIAL REPORT AND UPDATE

See Attached September 2018 Financial reports

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

None to report

VI. PERSONNEL

- A. **Training:** We brought Nan McKay Consulting Company to Ann Arbor to provide a training exclusively to AAHC staff. Twenty-three staff attended the Blended Occupancy training which primarily focused on the similarities and differences between Low Income Housing Tax Credits & RAD Project-Based Vouchers. Seven staff also took the certification test. Maintenance staff have attended numerous required safety trainings with the City of Ann Arbor's Safety Services Department. Katrisha Kelly and Evangelina Vassallo completed Housing Choice Voucher Specialist Training and Certification.

VII. OPERATIONS

- A. **Maintenance:** Is conducting fall/winter preventative maintenance on 100% of our units to prepare for winter. Snow removal contracts have been renewed with the same contractors as last year, at the same rates. Snow is removed at 2 AAHC properties by tenants.
- B. **Employment Verification:** The AAHC is now contracting with an agency called "The Work Number" to do 3rd party verifications electronically for tenant employment income and job duration rather than contacting individual companies to verify this information by mail. There is a cost to the service but it should greatly increase the accuracy and response time to receive this information.
- C. **Housing Choice Voucher File Review:** NCHM declined to renew their HCV file review contract with the AAHC therefore we will execute a contract with Diamond Consulting, which was the second lowest bidder for the HCV file review RFP in 2017. Diamond Consulting is currently conducting 100% of the file reviews for the Affordable Housing Program so we are excited to utilize them for all our file reviews.