



Legislation Text

File #: 20-0478, Version: 1

Resolution to Approve Ann Arbor Housing Commission Eviction Prevention and Emergency Response Request for Assistance and Appropriate \$200,000.00 **(8 Votes Required)**

As of March 23, 2020, HUD had issued very few regulatory concessions and no additional funding for HUD programs. None of the concessions impact the Ann Arbor Housing Commission (AAHC) programs. The only guidance HUD has given is to commit to continue providing funding and to answer questions about eligible expenditures related to a COVID-19 response using current under-funded resources. AAHC expects that to change in the next couple weeks and at a minimum believes Congress and the President will allocate additional resources to HUD to prevent evictions and to assist with increased costs related to the COVID-19 crisis.

As of March 23, 2020, the AAHC offices are closed to the public and all staff are working from home except for property managers and maintenance staff who must still respond, as needed, to urgent and emergency problems. The AAHC currently has enough disinfectant and cleaning supplies to last for several months if we only need to respond to our usual urgent and emergency issues.

The AAHC is coordinating with our non-profit service providers to discontinue group activities, but they are still responding to emergencies, particularly health, safety, and food security.

The main phone line at 734-794-6720 is still operational. The AAHC has added locked drop boxes for tenants and voucher participants to drop off paperwork and rent checks and the AAHC has added unlocked boxes for our recipients to get paperwork in case they do not have access to a computer. Otherwise, AAHC is continuing operations through fax, mail, phone and email.

The biggest concerns for AAHC are: future evictions due to loss of income, food security for homebound households, and our ability to respond if there is an outbreak of COVID-19 at our properties, particularly Miller Manor and Baker Commons as congregate settings with high risk households.

Budget and Fiscal Impact: The AAHC is requesting an additional appropriation of \$200,000.00 (\$100,000.00 immediately in FY20, and up \$100,000.00 later in FY20) to deal with the most urgent needs and will re-assess the situation daily as needed.

Eviction Prevention

- 1) The AAHC is requesting \$74,000.00 for eviction prevention.
 - a. 112 AAHC tenants currently have back-owed rent as of March 23, 2020 who were either in the eviction process or were about to receive a demand for payment when the 15th district court put a stay on all evictions on March 13, 2020.
 - b. The AAHC is requesting \$74,000.00 from the City of Ann Arbor to make all of these tenant ledgers current so that tenants will not be evicted when the courts allow for evictions again. It is unclear how long the COVID-19 crisis will last and this will give

- these tenants peace of mind and a clean start moving forward starting in April.
- c. The AAHC is notifying all our tenants as well as voucher tenants living with private landlords that they should notify the AAHC immediately if they have lost a job or have experienced a reduction in income.
 - d. Tenant rent is based on 30% of their adjusted household income and therefore the tenant's portion of rent will reduce if they report income reductions to the AAHC.
 - e. The AAHC will then bill HUD for a higher portion of the rent. The AAHC will run out of HUD rent subsidies eventually if there is a significant increase in need, but the AAHC currently has enough rent subsidy funding from HUD to cover April landlord payments and possibly May as well.
 - f. Hopefully Congress will allocate additional funding to HUD in the next couple weeks to assist AAHC tenants and voucher recipients.
 - g. HUD does not allow rent to be reduced retroactively if a tenant fails to report a change in income in a timely manner.
 - h. The AAHC is immediately processing all income changes based on a verbal or written affidavit from tenants, and following up with 3rd party verifications after, to the best of our abilities. Normally HUD requires a 3rd party verification (such as verification from the previous employer) before an adjustment can be made. AAHC is documenting its new process and why it is necessary under the circumstances.
 - i. The AAHC is advocating to Congress and HUD that all subsidized tenants should be treated as if they have zero income over the next several months so that HUD can pay 100% of the tenant rents and completely remove the threat of eviction during this crisis.
 - j. The AAHC will re-assess the financial impact on the organization and our tenants in early April. The AAHC will not add any late fees for past-due rent during the COVID-19 crisis.

Food Security

- 1) The Ann Arbor Public School and Food Gatherers are working closely with Peace Neighborhood Center, Community Action Network and Avalon Housing to ensure that low-income members of the community do not go hungry, including our tenants that have on-site services.
 - a. As of March 23, 2020, food distribution has not become a crisis, just a bit more complex as we all adjust to new processes to minimize human interaction in group settings.
 - b. It is anticipated that additional resources will be needed for our on-site service providers in April and moving forward as more people in the community become sick and need food delivery and other basic necessities such as medicine and basic hygiene products.
 - c. The best estimate right now is that an additional \$70,000.00 - \$100,000.00 will be needed for Peace, CAN and Avalon to increase food services and other emergency services to AAHC tenants in April, May and June.

Building Security

- 1) The AAHC is requesting \$26,000.00 for increased security.
 - a. Due to the highly vulnerable population and high health risk populations at Baker Commons and Miller Manor, AAHC has increased security services at both sites.
 - b. Staff are only allowing service staff such as home health aides, and emergency personnel into the buildings in order to minimize guests and social interactions.
 - c. As of March 17, 2020, a security guard will supplement Avalon staff at Miller Manor from 4pm to 8am, 7 days/week at a cost of \$3,024.00/week

- d. As of March 13, 2020, security guard coverage has increased from 24 hours/week to 52 hours/week at Baker Commons at an additional cost of \$592.00/week.
- e. The \$26,000.00 will be enough funding to last for a little over 7 weeks.

Emergency Response if COVID-19 is diagnosed for AAHC tenants

- 1) The AAHC will coordinate its response with the City Emergency personnel and the County Health Department. Cost is unknown.

Prepared by: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

Reviewed by: Matthew V. Horning, Interim CFO

Approved by: Tom Crawford, Interim City Administrator

Whereas, The City of Ann Arbor and the Ann Arbor Housing Commission have a goal to maintain affordable housing for low-income households;

Whereas, The Ann Arbor Housing Commission is concerned about future evictions due to loss of income, food security for homebound households, and its ability to respond if there is an outbreak of COVID-19 at its properties, particularly Miller Manor and Baker Commons as congregate settings with high risk households;

Whereas, The Ann Arbor Housing Commission requests an additional appropriation of \$74,000.00 for rent subsidy to prevent future evictions;

Whereas, The Ann Arbor Housing Commission requests an additional appropriation of \$26,000.00 for building security;

Whereas, The Ann Arbor Housing Commission requests an additional appropriation of \$100,000.00 for future needs related to the COVID 19 response;

Whereas, Funds are available for appropriation from the FY 20 General Fund; and

Whereas, The Ann Arbor Housing Commission pledges to pursue any and all potential sources of reimbursement for these expenditures, and further pledges to reimburse the City as much as reimbursements permit;

RESOLVED, That City Council approve an appropriation of the \$200,000.00 in funding from the FY20 General Fund to the Housing Commission General Fund budget in FY20; and

RESOLVED, That City Council approve an increase to the Housing Commission General Fund expenditure budget in the amount of \$200,000.00 with the funding for this increase to be reimbursed by the Ann Arbor Housing Commission inasmuch as possible from future Federal and other potential reimbursements.

Sponsored by: Councilmembers Ackerman, Bannister, Grand, Griswold, Eaton, Ramlawi, Lumm and Mayor Taylor