



## Legislation Text

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**File #:** 16-0084, **Version:** 1

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### Resolution to Support the City of Ann Arbor/Ann Arbor Housing Commission Joint Policy and Financial Advisory Committee Recommendations

The Ann Arbor City Council created a policy and financial advisory committee in May 2015 to discuss the relationship between the City of Ann Arbor and the Ann Arbor Housing Commission regarding the City's affordable housing goals and the City's financial support of the AAHC to accomplish those goals.

Specifically, City Council adopted a resolution (R15-0626) that by no later than January 4, 2016, the Joint Policy and Finance Advisory Committee shall recommend a partnership agreement clarifying the operational and financial responsibilities of the AAHC and City to one another for FY2017 and beyond. The agreement shall include, but shall not be limited to, recommendations regarding the following topics:

- a. The City's affordable housing goals, strategies and policies.
- b. Use of General Fund dollars to fund recurring expenditures of the AAHC.
- c. Allocation of the Affordable Housing Trust Fund dollars to the AAHC.
- d. The role of the AAHC in contributing to the goals of the Affordable Housing Needs Assessment and the City's Sustainability Framework.
- e. The responsibility of the City to replace declining federal funds.

The Committee met 6 times and drafted a council recommendation (attached). The Committee acknowledged that the AAHC is in a transition period as it converts its public housing properties under the RAD program to project-based vouchers and undergoes major redevelopment of its properties. Consequently, the Committee made short-term recommendations for FY17 and recommended that the committee reconvene for FY18 to reassess the AAHC's financial position before executing a Partnership Agreement with the City.

The Committee requested that the Housing and Human Services Advisory Board (HHSAB) and the AAHC Board review, provide feedback, and support the resolution. The draft recommendation was reviewed by the HHSAB on January 14, 2016 and the HHSAB supported the Committee's recommendation that the City financially support the Ann Arbor Housing Commission but recommended that the financial support come from City general funds instead of diverting other funds designated for affordable housing to the AAHC (see attached).

Prepared and Approved by Jennifer Hall, Executive Director

WHEREAS, Ann Arbor City Council adopted resolution 15-0626 creating the City of Ann Arbor/Ann Arbor Housing Commission Joint Policy and Financial Advisory Committee; and

WHEREAS, The Committee was tasked with recommending a Partnership Agreement clarifying the operational and financial responsibilities of the AAHC and City to one another for FY2017 and beyond; and

WEHREAS; The Committee acknowledged that the AAHC is in a transition period as it converts its public housing properties under the RAD program to project-based vouchers and undergoes major redevelopment of its properties. Consequently, the Committee made short-term recommendations for FY17 and recommended that the committee reconvene for FY18 to reassess the AAHC's financial position before executing a Partnership Agreement with the City; and

WHEREAS, The Committee recommended that:

- The City continue, on a recurring basis, to provide the \$60,000 operating support for the AAHC from its General fund
- The City adopt a policy to allocate \$80,000 in CBDO funds on a recurring basis to fund supportive services for residents at the RAD converted properties thereby establishing a sustainable funding source for these important services
- The Committee also recognized the AAHC may experience unplanned losses during the RAD conversion process itself through 2018 and recommends Council support the transition with one-time appropriations for the RAD conversion, as needed, during this period.
- Recognizing the AAHC's request for additional recurring operating support, City Council redirected its annual \$100,000 General fund appropriation from the AAHF directly to the AAHC starting in FY2016. The Committee supports the continuation of this appropriation since it establishes a sustainable source of recurring support for AAHC operations to achieve pay equity for AAHC staff.
- The Committee recommends that City Council provide non-recurring general fund operating support through FY2018 for the administration of the Housing Choice Voucher Program due to insufficient federal funds to operate the existing program. The level of support needed will change depending on the shortfall created by HUD's budget adopted by Congress. The Committee recommends that City Council approve \$105,000 as a placeholder in the budget and that the City and AAHC adjust this amount based on AAHC actual receipts from HUD. If as recommended City Council charges a new Committee in 2018, the Committee recommends addressing at that time what the role of the City should be regarding the financial sustainability of the Voucher program as well as future appropriations.

RESOLVED, that the Ann Arbor Housing Commission Board supports the Joint Committee's recommendations to City Council and directs the Executive Director to take any administrative actions needed to implement this resolution.

RESOLVED, that The Ann Arbor Housing Commission Board appreciates the financial support of the Mayor, Councilmembers, and Administration to the Ann Arbor Housing Commission through FY17. The AAHC Board encourages the City to continue supporting the Ann Arbor Housing Commission in FY18 and beyond as an integral part for the City's commitment to affordable housing. The AAHC

Board supports equity pay for staff through progressions as well as through an increase in the base salary for housing commission staff.