



Legislation Details (With Text)

File #: 18-1108 **Version:** 1 **Name:** 7/18/18 AAHC 3 FTE increase FY19 budget
Type: Resolution **Status:** Passed
File created: 7/16/2018 **In control:** City Council
On agenda: 7/16/2018 **Final action:** 7/16/2018
Enactment date: 7/16/2018 **Enactment #:** R-18-289

Title: Resolution to Increase 3 FTE's in the FY19 Budget (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/16/2018	1	City Council	Approved	Pass

Resolution to Increase 3 FTE's in the FY19 Budget (8 Votes Required)

The Ann Arbor Housing Commission is requesting approval of 3 additional FTE's in the FY19 budget due to increased HUD funding opportunities. These positions will be fully paid for by HUD and the AAHC is not requesting additional general funds.

The Ann Arbor Housing Commission (AAHC) was notified on May 20, 2018 that the federal department of Housing and Urban Development (HUD) allocated AAHC \$12,313,758 for the CY2018 (January 2018 to December 2018) for the Housing Choice Voucher Program Housing Assistance Payments (HAP). This represents a \$600,000 increase over AAHC Calendar Year 2017 actual expenditures for rental subsidies. This amount is also an increase of close to \$1 million more than HUD projected the AAHC CY2018 funding would be. The AAHC based our initial budget on widely expected budget cuts, which actually turned into budget increases. This additional funding increase will allow the AAHC to hire an additional FTE using 100% federal dollars at no additional cost to the City.

The federal budget year is October 1 to September 30th and HUD's budget is January to December. Unfortunately, since Congress did not adopt the budget until March of 2018, HUD was not able to provide a budget to the AAHC until 5 months into our HUD budget year which only leaves the AAHC 7 months to expend these funds or risk losing them. The AAHC projects that it would need to lease up an additional 140 vouchers by December 31, 2018 to expend \$600,000 in the 2018 calendar year. If the AAHC leases up these additional vouchers by December 31, 2018, HUD will annually renew the funding for both rental subsidies and approximately \$93,000/year in administrative fees for the AAHC to pay for 1 FTE (\$78,000) and related administrative costs such as inspection fees and software licensing fees.

In addition, HUD issued 2 new Notices of Funding Availability (NOFA's) in May 2018 for additional special needs vouchers that the AAHC can apply for competitively with its non-profit community partners. These NOFA's provide funding for rental subsidies and administrative fees. No matching funds are required. Although the NOFAs do not provide funding for services, HUD requires the AAHC

to partner with local non-profits and public entities in order to bring these additional housing resources into our community. Our local partners are digging deeply to provide the housing supports these tenants need to find and maintain their housing without any additional financial resources because the housing need is extremely high.

The first NOFA is for Family Unification Program (FUP) Vouchers. FUP Vouchers are for families whose children are in the foster care program who cannot be reunited until they have stable housing available. In addition, these vouchers are for young adults who are aging out of the foster care system and are at risk of homelessness. The AAHC is partnering with the Michigan Department of Health and Human Services, Ozone House, and Washtenaw County's Office of Community and Economic Development to apply for these new vouchers. The AAHC is limited to applying for 50 vouchers for this program. The application is due July 24, 2018 and awards will be announced on or around October 24, 2018 and the AAHC will have 1 year to lease-up these 50 vouchers. The funding is annually renewed similarly to the Housing Choice Voucher program. These 50 vouchers will provide \$364,000 in rental subsidies and \$33,000 in Administrative Fees to the AAHC and the AAHC will absorb these vouchers into the caseload of the new FTE above.

The second NOFA is for Non-Elderly Disabled (NED) households with additional focus on non-elderly households who are in danger of becoming institutionalized or homeless. The AAHC is applying for 275 vouchers in partnership with Avalon Housing, Salvation Army, Michigan Ability Partners, Interfaith Hospitality Network, SOS Community Services, Washtenaw Housing Alliance, Shelter Association of Washtenaw County, Center for Independent Living, Catholic Social Services and Washtenaw County's Community Mental Health, Office of Community and Economic Development, and Sheriff's Department. Our partner agencies will work directly with these households using existing community resources to help them find and maintain their housing.

If the AAHC is awarded 275 vouchers, this program will provide an additional \$2 million in annual rent subsidy funding and \$183,000 in additional administrative fee funding. The AAHC is requesting that City Council approve 2 additional FTE's (\$78,000 Occupancy Specialist & \$74,000 Administrative Assistant), contingent upon receiving this award. The application was submitted on June 18, 2018, awards will be announced on or about August 7, 2018 and the AAHC and its partners will have 1 year to lease-up these 275 vouchers starting on August 7, 2018. These vouchers are also annually renewable by HUD.

All of these HUD funds will be provided directly to the Ann Arbor Housing Commission and do not require any additional general funds. The AAHC is requesting approval of 3 FTE's, one to take effect July 1, 2018 and two to take effect on condition of receiving the NED voucher funds.

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

Approved by: Howard S. Lazarus, City Administrator

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

Whereas, The Ann Arbor Housing Commission has been awarded \$600,000.00 in additional HUD rental subsidies for calendar year 2018 for its Housing Choice Voucher program to provide rental subsidies to approximately 140 low-income households;

Whereas, The Ann Arbor Housing Commission needs to hire an additional FTE to administer these vouchers, which will be paid for by \$93,000.00 in HUD Administrative Fees;

Whereas, The Ann Arbor Housing Commission is applying for 50 Family Unification Program Vouchers for families with children in the foster care system and youth aging out of the foster care system in partnership with Ozone House, the Department of Health and Human Services and Washtenaw County's Office of Community and Economic Development, which if awarded will provide an additional \$364,000.00 in rental subsidies and \$34,000.00 in Administrative Fees;

Whereas, The Ann Arbor Housing Commission is applying for 275 Vouchers for non-elderly disabled households, in partnership with Avalon Housing, Salvation Army, Michigan Ability Partners, Interfaith Hospitality Network, SOS Community Services, Washtenaw Housing Alliance, Shelter Association of Washtenaw County, Center for Independent Living, Ozone House, Catholic Social Services, and Washtenaw County's Community Mental Health, Office of Community and Economic Development, and Sheriff's Department;

Whereas, The Housing Commission has alternatives (or a plan) to financially handle the impact if sufficient utilization of the new Choice Vouchers were to occur; and

Whereas, If awarded an additional 275 vouchers for non-elderly disabled households, it will generate \$2 million in additional rental subsidies and \$183,000.00 in administrative funds which will require the Ann Arbor Housing Commission to hire an additional 2 FTE's to administer these vouchers;

RESOLVED, That City Council authorize the addition of 3 FTE's for the Housing Commission, one to take effect July 1, 2018 and two to take effect if the AAHC is awarded additional vouchers for non-elderly disabled households;

RESOLVED, That City Council approve the use of \$93,000.00 in HUD funding for one (1.0) FTE (\$78,000.00) and related administrative costs such as inspection fees and software licensing fees;

RESOLVED, That City Council approve an appropriation of the \$93,000.00 in HUD funding to the Housing Commission budget in FY19 for 1.0 FTE and related administrative costs such as inspection fees and software licensing fees;

RESOLVED, That City Council approve the use of \$152,000.00 in funding from the Non-Elderly Disabled household funding for two (2.0) FTEs should the funding be awarded to the Ann Arbor Housing Commission on or after August 7, 2018;

RESOLVED, That City Council approve an appropriation of the \$152,000.00 in Non-Elderly Disabled household funding to the Housing Commission budget in FY19 for 2.0 FTEs should the funding be awarded to the Ann Arbor Housing Commission on or after August 7, 2018; and

RESOLVED, That City Council approve an increase to the General Fund Community Development expenditure budget in the amount of \$245,000.00 with the funding for this increase to be reimbursed by the Ann Arbor Housing Commission.