



## Legislation Text

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### Resolution to Approve the FY21 Ann Arbor Housing Commission Agency-Wide Operating Budget

The Housing Commission's fiscal year begins July 1st and ends June 30th of each year; and the Commission has prepared an initial Ann Arbor Housing Commission operating budget for FY21 (July 1, 2020 thru June 30, 2021).

The budget includes all of the HUD program cost centers for the AAHC on the left side of the budget spreadsheet. The budget also includes the AAHC's affiliated business entities on the right side of the budget sheet. The AAHDC and Colonial Oaks are affiliated entities and they are reported on the AAHC's audit, but the tax credit properties called Maple Tower, River Run, Swift Lane and West Arbor are audited separately as separate legal entities.

- The Ann Arbor Housing Development Corporation is a separate legal entity from the AAHC and the AAHDC Board must adopt the AAHDC budget. HUD considers the AAHDC an affiliated business entity of the AAHC so it is included in the AAHC budget and audit even though it also must file a 990 as a separate 501c3.
- The federal government has not yet adopted the federal FY21 budget. This budget assumes level funding with FY20, not including stimulus funding related to the COVID-19 pandemic.
- The Garden property budget is included in the Colonial Oaks budget. The property is expected to transfer to Colonial Oaks during FY21.
- The Board already approved the tax credit properties Maple Tower, River Run Swift Lane and West Arbor budgets at a separate board meeting because their budget year is January to December.
- Swift Lane is budgeted as if it is fully occupied during the FY21. The units will be occupied between September and December 2020 and must be fully occupied by December 31, 2020. Consequently, the first 6 months of FY21 will reflect partially occupied buildings not fully occupied buildings. The revenues will still cover expenses because the development budget includes an operating lease-up reserve that will be drawn down from as needed.
- The cash-flow from the tax credit properties are restricted. Most of the cash-flow will go to the AAHDC, however, not until after the audit is complete for these properties. The cash-flow will be distributed as agreed to in the development agreement with the equity investor.
- The Continuum of Care contracts have all been transferred to the non-profits who are administering the programs and is therefore no longer included in the budget.

Created and Approved by Jennifer Hall, Executive Director, Ann Arbor Housing Commission

WHEREAS, the Housing Commission's fiscal year begins July 1st and ends June 30th of each year; and

WHEREAS, the Commission has prepared an initial agency wide operating budget for FY21 (July 1,

2020 thru June 30, 2021); and

WHEREAS, the Commission staff is presenting this budget to the Board of Commissioners for its review prior to the start of FY21; and

WHEREAS, the Commission staff has prepared such budget by estimating revenues and expenses based on current year-to-date actual financial data for the previous 12 months and historical financial data; and

WHEREAS, the Commission staff will be preparing monthly agency wide financial reports for the Board comparing year-to-date actuals to budget and also intends to revise the budget as needed; and

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approve the Ann Arbor Housing Commission's Agency Wide FY21 operating budget as attached hereto.