

AAHC DRAFT FISCAL YEAR 2021 ANNUAL PLAN

Annual Plan Attachment

Section B.1 Annual Plan Element Proposed Changes FY21

Statement of Housing Needs and Strategy for Addressing Housing Needs.

- A. The AAHC currently has the following preferences persons with a disability, residential, seniors and homeless. About 50% of the AAHC’s voucher tenants are non-elderly disabled households. AAHC opened the HCV Waiting List for one month, on August 3, 2020; we received over 3,300 applications. Below are the demographics as reported by the applicants:

HCV Waiting List

White	742
Black	2269
Asian	28
American Indian	20
Pacific Islander	2
Multiple Race	219
No Identification	0
Hispanic	144
Non-Hispanic	3199
Female	2612
Male	731
Average Annual Income	\$11,427
Average Household Size	2
Near Elderly (Age 55-60)	499
Elderly (Age 62 and older)	225
Disabled	2268
Homeless	1332

- B. The AAHC currently has the following preferences persons with a disability, residential, and homeless. AAHC opened the RAD PBV Waiting List for one month, on August 3, 2020. AAHC advertised the opening for one (1) through five (5) bedroom units; we received over 2,200 applications. About 43% of the applicant self-reported as homeless and 35% reported annual income of less than \$10,000. Below are the demographics as reported by the applicants:

RAD PBV Waiting List

White	566
Black	1463
Asian	19
American Indian	12
Pacific Islander	2
Multiple Race	153
No Identification	0
Hispanic	91
Non-Hispanic	2175
Female	1715

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Male	551
Average Household Size	2 Persons
Near Elderly (Age 55-61)	342
Elderly (Age 62 and older)	181
Disabled	1496
Homeless	979
Reported Income between \$1 – \$9,999	35%
Reported Income between \$10,000 – \$19,999	26%

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

During FY 21, the following Administrative policies were adopted by the AAHC Board

Administrative Plan Policies

15-INTRODUCTION: SPECIAL HOUSING TYPES

Previously, the policy restricted voucher participants to reside in units qualifying as special housing types as a reasonable accommodation only. The AAHC amended the policy to allow all households will be permitted to live in any special housing types and a reasonable accommodation will not be necessary.

4-III.B. SELECTION AND HCV FUNDING SOURCES

The AAHC previously had the following preference for the Housing Choice Voucher Program: residents of Washtenaw County, disabled applicants, homeless applicants, and applicants who have been involuntary displaced. Effective July 1, 2020, AAHC added the preference for admission of single persons who are age 62 or older. Adding this preference would allow qualifying households to reside in units exclusively serving elderly families.

AAHC added language to better define the eligibility criteria for Category 1 Non-Elderly Disabled vouchers. Category 1 NED vouchers are designated for eligible non-elderly disabled persons or family where the head, co-head, or spouse is a non-elderly disabled person. 2017 & 2019 NED vouchers are designated to eligible households with one or more non-elderly disabled adults. The eligibility criteria are extended to include non-elderly persons with disabilities who are or at risk of transitioning out of institutions, currently are or at risk of experiencing homelessness, or previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project.

17-I.A. OVERVIEW: Units Not Subject to the PBV Program Limitation

Previously, the policy did not allow AAHC to place vouchers on units not subject to the PBV program limitations. Therefore, AAHC added language to the administrative plan to allow placement of vouchers on units not subject to the program limitation.

17-II.B. Owner Proposal Selection Procedures Units Selected Non-Competitively

Previously, this policy allowed AAHC to place vouchers on unit using a non-competitive selection process however it was limited to Public Housing units converted under RAD as de minimis. AAHC amended the policy to place vouchers on units owned by AAHC that were not selected in a competitive process; removing the specific language of “converting from public housing under the RAD program as de Minimis units”.

18-V.D. ORGANIZATION OF THE WAITING LIST

Previously, the policy stated that AAHC would maintain a separate waiting list for Pear St. Project Based Voucher. AAHC added language to clarify that homeless households will be referred through the Continuum of Care Housing Access of Washtenaw County (HAWC CHP), the centralized intake and assessment process for homeless households in Washtenaw County. In addition, as soon as the separate waiting list for the Pear St. Project Based Voucher separate waiting list is exhausted, the CoC HAWC process will be used for Pear Street admissions.

HCV ADMINISTRATIVE PLAN-NOTICE PIH 2020-05 COVID-19: Statutory and Regulatory Waivers For The Public Housing, Housing Choice Voucher, Suspension Of Public Housing Assessment System And Section Eight Management Assessment Program

On April 2010, the AAHC adopted all waivers in accordance with PIH Notice 2020-05, to adjust program practices where necessary to prioritize mission critical functions when normal operations are restricted and severely constrained, further prevent the spread of COVID-19, and mitigate the health risks posed by COVID-19 to PHAs, families, landlords, and their communities at large. The waivers implemented through this notice provide administrative relief and allow for alternative approaches to various aspects of PHA operations.

AAHC used available funding to house families, keep families in their homes, and conduct critical operations that can be done remotely and safely. Some critical functions for PHAs include, but are not limited to issuing vouchers so families can find housing, processing Requests for Tenancy Approvals (RFTAs) so families can be approved to move into a unit, processing requests for portability moves, ensuring occupancy of program units, processing minimum rent hardship exemptions, and completing reexaminations for participants who have experienced a decrease in income.

AAHC documented and expeditiously implemented plans for alternative procedures in order to provide stable housing for some of our country’s most vulnerable families. Alternative processes included but is not limited to electronic transmission of information to families, conducting briefings online, conducting conference calls, or using self-service features on the PHA’s website, and providing business-reply envelopes or secure drop-box apparatuses for document or rent submission for assisted families that do not have access to the Internet.

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HCV ADMINISTRATIVE PLAN-NOTICE PIH NOTICE 2020-13: Covid-19 Statutory and Regulatory Waivers and Alternative Requirements for the Public Housing, Housing Choice Voucher Programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program, Revision 1

On July 2, 2020, AAHC adopted all waivers in Notice PIH 2020–05 Rev., 1. In this revision, HUD restates the waivers and alternative requirements established previously in Notice PIH 2020–05, provides additional waivers and alternative requirements, extends the periods of availability for previously established waivers and alternative requirements, and issues technical amendments to several of the previously established waivers and alternative requirements.”

AAHC carried forward the all waivers and administrative flexibilities, such as the temporary suspension of the Public Housing Assessment System (PHAS) and the Section Eight Management Assessment Program (SEMAP). AAHC utilized any and all waivers and alternative requirements as necessary to keep Public Housing and HCV programs operational; to expand housing assistance opportunities, including to families on waiting lists; providing affordable, safe housing during this time assists in addressing issues like homelessness and overcrowding that contribute to risk factors during the COVID-19 pandemic.

17.II: PBV OWNER PROPOSALS

Previously, the policy stated that AAHC will randomly select 20 percent of project- based voucher units in each building to inspect on an annual basis. AAHC amended language to allow the AAHC to inspect on an biennial basis a random sample consisting of at least 20 percent of the contract units in each building. This brings the unit inspections policies for the project-based voucher program in line with the tenant-based voucher program.

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Financial Resources:

2021 Planned Financial Sources and Uses		
Federal Sources:	Planned (Est.)	Planned Uses
Housing Choice Voucher/VASH/FUP Housing Assistance Payments (HAP)	\$16,300,000	HCV and PBV HAP Expenses. including RAD PBV, FUP and VASH
Housing Choice Voucher Admin Fees	\$1,300,000	HCV/FUP/VASH/PBV Admin Expenses
Mainstream Voucher Program Housing Assistance Payments (HAP)	\$1,500,000	HAP Expenses
Mainstream Voucher Admin Fees	\$100,000	Administrative Expenses
Family Self Sufficiency	\$140,000	Family Self Sufficiency program
Other (Fraud Recovery)	\$25,000	Voucher Programs and Central Office
Capital Funds & Operating Funds for Turnkey III	\$5,000	Garden Circle (MI064000100)
Non-federal sources (list below)		
City of Ann Arbor General Fund	\$1,100,000	Voucher Administration, Central Office, Tenant Services, and Development of City-Owned Properties
Ann Arbor Downtown Development Authority	\$465,000	Development of City-Owned Properties in DDA District
Other Revenue	\$730,000	Management Fees
Total resources	\$21,665,000	

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Section B.2 and C.1 New Activities

The AAHC owns a single-family home on Garden Circle, Ann Arbor MI, that was acquired through HUD's Turnkey III lease to ownership program. The Turnkey III program no longer exists and the AAHC is waiting for HUD instructions on how to dispose of this property as it is not a public housing unit. The property will be retained by the AAHC by transferring ownership to the Ann Arbor Housing Development Corporation, a wholly owned non-profit subsidiary of the AAHC. The existing tenant may continue to live at the property with a tenant protection voucher or move with a tenant-based voucher. If there are any proceeds from the transfer of the property, the proceeds will be used to support the AAHC housing and voucher operations.

The Ann Arbor City Council passes a resolution to support an analysis of city-owned properties to determine if they are financially feasible to develop as affordable housing. The analysis was completed by the AAHC and 10 properties were identified as good locations for affordable housing development. Each site is unique and will have a separate plan for its development. Properties were analyzed based on zoning, regulatory restrictions, environmental conditions, and eligibility for HUD and LIHTC funding. The AAHC is working with City, County and Downtown Development Authority staff to provide opportunities for community engagement on the site concepts.

The City of Ann Arbor passed an affordable housing millage for 1 mil for 20 years, which will raise about \$6.5 million annually. It is anticipated that the millage will support the development (new construction and acquisition) of approximately 1500 new affordable housing units for households up to 60% of the Area Median Income (AMI). The millage also allows for up to 20% of the funds to be used for tenant supportive services. The millage is a key component of the development strategy for the 10 city-owned properties to provide gap financing and tenants service funding.

Section B.5 Progress Report

Please see the 4 goals from FY20 – FY24 Plan with a progress report for each goal

- 1) Complete Redevelopment of all public housing units to Project Based Vouchers through the Rental Assistance Demonstration (RAD) project

The AAHC has been approved by HUD to redevelop all of its public housing to project-based vouchers under the RAD program. Phase 1, 2, 3, 4, & 5 are completed.

- 2) Develop new affordable housing:
 - a. At existing public housing sites
 - b. New properties

Through the RAD conversion program, AAHC demolished and build new housing at 3 RAD properties. A total of 58 new apartments were added through the RAD conversion process. Phase 1, Miller Manor, was redeveloped with three (3) additional apartments. Phase 3 at N. Maple added 23 apartments. Phase 4 at Lower Platt (now known as Creekside Court) added 28 apartments and White/State/Henry (now known as State Crossing) added 4 apartments.

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The AAHC is acquiring Lurie Terrace, a 136-unit senior apartment in Ann Arbor. The AAHC will be income-restricted as well as restricted to households with a member who is 62 years or older. Forty percent of the units will be restricted to households at 60% AMI or less and 60% will be restricted to households at 80% AMI or less. Any existing over-income tenants will be grand fathered in, but all new tenants must meet the income-restrictions.

3) Project-Based Voucher:

Increase the number of Project-Based Vouchers in the City of Ann Arbor and other communities in Washtenaw County that have a strong economic base and public transportation. AAHC projects that we will convert about 200 vouchers to project-based vouchers by FY24.

In addition, 23 VASH vouchers for chronically homeless veterans were project-based through a partnership with the VA.

- a. Addition of PBV Units: The AAHC issued Project-Based Voucher RFP on September 9, 2020 for up to 150 vouchers in the City of Ann Arbor. The AAHC received applications for 162 project-based vouchers. The AAHC has committed to issuing 56 vouchers within Ann Arbor for the following projects: 10 vouchers at 100 S. 4th Ave 48104, 30 vouchers at 600 W. Huron 48104, 10 vouchers at 2270 Platt Road 48108, and 6 vouchers at 100-106 and 112-114 Glendale 48103.
- b. Statement of need Consistent to PHA Plan: AAHC will project-base up to 20% of the AAHC's budget authority in order to de-concentrate poverty and expand housing and economic opportunities for very low-income, homeless and special needs households in the City of Ann Arbor and other high opportunity areas in Washtenaw County. The AAHC prioritizes PBV on Permanent Supportive Housing units. These activities are consistent with the AAHC's 5-year and Annual Plan as well as AAHC's mission.

- 4) Increase supportive housing for residents with complex needs spanning from homelessness, mental illness, substance use disorders, and/or other physical/mental disabilities.
 - a. Increase support services for tenants in affordable housing and voucher program
 - b. Through community partnerships
 - c. Additional funding sources
 - d. Continue to work with partners and provide support to eligible families

Continuum of Care (CoC)

The AAHC partnered with Avalon Housing and Ozone House to provide housing and services to chronically homeless individuals and families through the HUD Continuum of Care program. A minimum of 59 of these households will be housed at AAHC properties and Avalon and Ozone House will be providing on-site services. These funds have enabled Avalon to provide 24/7 services at Miller Manor. In FY21 all of the CoC grants have been transferred to Avalon Housing to administer.

Support Service HCV Eviction Prevention

The AAHC is partnering with SOS to hire a case manager to help AAHC voucher tenants maintain their vouchers.

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The coordinated support service allows assist families to lease up in Ann Arbor and resolve landlord/tenant issues such as securing funds to avoid eviction and/or assistance with securing funds for outstanding utility bills and were able to retain their housing. AAHC will continue contracting services with SOS to provide voucher families assistance in maintaining their assistance.

Support Service On-site PBV

The AAHC partnered with Avalon Housing & Peace Neighborhood Center & Community Action Network to provide on-site services for tenants at West Arbor, Miller Manor, Maple Meadows, Hikone, Green-Baxter, and Baker Commons.

The AAHC is partnering with Avalon and CAN to provide on-site services at the new State Crossing and Creekside Court Community Centers, respectively.

Family Unification Program (FUP)

The AAHC has partnered with the Michigan Department of Health and Human Services (MDHHS), Washtenaw County Continuum of Care (CoC), and Ozone House to provide housing assistance to 32 families for the HCV Family Unification Program. AAHC continues to provide housing to eligible families.

The Family Unification Program (FUP) is a program under which Housing Choice Vouchers (HCVs) are provided to two different populations: Families for whom the lack of adequate housing is a primary factor in: the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care. In addition, Eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, and is homeless or is at risk of becoming homeless at age 16 or older.

In addition to rental assistance, supportive services must be provided by the MDHHS to FUP youths for the entire 18 months in which the youth participates in the program; examples of the skills targeted by these services include money management skills, job preparation, educational counseling, and proper nutrition and meal preparation.

Non-Elderly Disabled Mainstream Voucher (NED)

The AAHC has partnered with 11 agencies to administer the NED Voucher program, all of whom serve persons with disabilities as a cornerstone of their non-profit mission or public agency purpose. HUD awarded AAHC 45 voucher for the NED program in 2018; 90 vouchers in 2019; and 41 vouchers in 2020. AAHC continues to provide housing to eligible families.

NED HCVs enable non-elderly disabled families to lease affordable private housing of their choice. NED vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market. The target population for the NED program are any household that includes one or more non-elderly person with disabilities.

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In addition, eligible families included non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, or those at risk of experiencing homelessness.

City of Ann Arbor General Fund Support

The City of Ann Arbor allocated \$525,000 in FY20 and \$535,000 in FY21 for tenant mental health and other supportive services for AAHC tenants and Voucher program participants. These funds are partially funding the programs listed above.

Section D.2 Resident Advisory Board

The Resident Advisory Board (RAB) will meet on December 8, 2020 to discuss proposed changes to the Administrative Plan for the Housing Choice Voucher Tenant-Based and Project-Based Program.

Members who attended the meeting. Residents: *Kim Pitts, Lillian Robinson, Teresa McCullough, Roben Barker, Charles Carson, Pamela Ray.* Representatives of Community Action Network (CAN): *Louey Guillen, Harrison Metzler, and Danielle Dicks.*

Discussion: Jennifer Hall, discussed the City of Ann Arbor Affordable Housing Millage where it is estimated to generate \$6.5 million dollars in funding to support 1500 units for families with income at or below 60% AMI. In addition, Mrs. Hall explained the general funding sources for affordable housing and how the millage supports affordable housing such as Low-Income Housing Tax Credit, Housing Choice Voucher, and Project-Based Vouchers. The millage is intended to provide funding to develop housing and does not provide rental subsidy. AAHC will likely be the developer and manager of any housing units developed under this millage.

Mrs. Hall explained AAHC is working to develop affordable housing on seven (7) properties owned by the City of Ann Arbor. Residents expressed high priority and desire for all sites to have onsite parking. Two sites located on Catherine and 4th Ave and the other site located on Main and Williams, may be developed with underground parking. Underground parking increases the cost of development and may reduce the number of units for those sites to have onsite parking. Another site located on Main, offers parking at a structure adjacent to the development. Resident expressed this is a good option however, secure entry for residents is a high priority. The remaining five (5) developments have opportunity for onsite parking that may not impact the development cost or number of units. Mrs. Hall provided design options for all developments.

Mrs. Hall also inquired resident's opinion for developing the site for single (two person) individuals, senior housing, or family housing. The residents suggest single or senior housing for two (2) of the seven (7) sites and the remaining site would be great for mixed income and mixed single individual, and family housing. Residents also expressed the importance of green space and recreational space for children and families.

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Weneshia Brand, discussed the current annual plan including the recent HUD waivers, changes to the Administrative Plan that occurred during the last fiscal year and calendar year. In addition, the AAHC has purchased new software from Yardi; Rent Café Certifications. In response to Covid-19, AAHC purchased this software to allow families to complete Annual and Interim recertifications online as well as submit workorders and online rent payments. Residents inquired if those participants specifically seniors and disabled individuals can continue to submit hard copy certifications. Ms. Brand explained the software is a added form of communication. Participants are not required to use the system but are encouraged to do so. Participant may continue to submit certification by mail, in person, or through other means of communication. Residents inquired if AAHC would provide a presentation “how to use the system” to residents. Ms. Brand explained that a training will be provided; however, the system will be available to select AAHC RAD PBV residents initially and later made available to all HCV and PBV program participants.

OTHER RESIDENT INPUT: *None*

CHALLENGED ELEMENTS TO PLAN: *TBD*