

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
January 18, 2023

Meeting Time and Location: **6:30pm**
Zoom

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of September 21, 2022
- III. NEW BUSINESS
 - A. Resolution 23-1 to approve an increase in the tenant services contract with Avalon for Hickory Way in the amount of \$202,701 for a total of \$435,675 for FY23
 - B. Resolution 23-2 to approve a chiller contract with Robertson Morrison in the amount of \$319,810 as a non-competitive emergency contract for Baker Commons
 - C. December Financial Statements
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
BOARD MEETING
September 21, 2022

Meeting Time and Location: **6:35p.m.**
717 N Maple Community Center

President Meadows convened the meeting at 6:35 p.m.

Board Members present: Lee Meadows, Patricia Jenkins, Jennifer Hall, Steven Daniels, Deanna Boer

Board Members absent: Thierry Batalonga,

I. Approval of Agenda

Jenkins moved and *Boer* seconded.

Motion approved 5 - 0 (Jenkins, Daniels, Meadows, Hall, Boer, - yes, 0 – no)

II. Approval of Minutes June 15, 2022

Boer moved and *Daniels* seconded.

Motion approved 5 - 0 (Jenkins, Daniels, Meadows, Hall, Boer, - yes, 0 – no)

III. NEW Business

A. Discussion of Tenant Supportive Services Funding Formula

Board discussed a staff recommendation to reallocate funding in from the County Mental Health Millage from capital projects to tenant services to ensure that there is adequate funding for our non-profit partners. The capital projects will be moved to funding through the Affordable Housing Millage instead. The impact this year is that the Lurie Terrace and Baker Commons fire suppression installation will need to be moved to the Affordable Housing Millage. There is currently about \$492,298 in fund balance and \$192,038 in unallocated funds in FY23 that can be allocated to tenant support services.

Staff propose that the AAHDC adopt a formula for all sites. currently funding at each site has grown organically and based on the needs of each agency. Staff have worked with all agencies to create a standardized quarterly reporting format on how funds are spent. The primary outcome is housing stability and eviction prevention.

Staff are meeting with our nonprofits partners to discuss the new formula which is currently proposed as follows:

- 1) \$2,000/unit for all on-site service providers of subsidized units
- 2) \$1,000/unit for off-site service providers of subsidized units
- 3) \$100/unit for on-site service providers of unsubsidized units
- 4) \$2,000/unit additional funding for each homeless household served

In some cases the on-site service provider is the same as the homeless services provider, and in some case the on-site service provider is different than the homeless services provider but the two agencies coordinate with each other.

The board verbally approved of this change. Staff must create a budget to ensure there is sufficient funding and request approval from City Council to allocate the fund balance, without regard to fiscal year. The intent is to create a 4-year budget and funding commitment to coincide with the 4 years left on the County Mental Health Millage. And execute amended contracts this fiscal year, once funding is approved. Under the AAHDC's procurement policy, tenant services funding is excluded from competitive bidding because each on-site services provider is a sole source provider with a long-term relationship with our residents.

IV. Adjournment

Daniels moved and *Boers* seconded.

Motion approved 5 - 0 (Jenkins, Daniels, Meadows, Hall, Boer, - yes, 0 – no)

Meeting adjourned 7:07 PM

Resolution 23-1 to approve an increase in the tenant services contract with Avalon for Hickory Way in the amount of \$166,903 for a total of \$349,339 for FY23

Avalon Housing, Inc. received Affordable Housing Millage funding to develop Hickory Way as Permanent Supportive Housing and is therefore also eligible for tenant supportive services funding from the Affordable Housing Millage. Avalon currently has a contract for \$182,436 for tenant services at Hickory Way and is requesting an increase of \$166,903 through June 30, 2023 for a total of \$349,339. Please see the attached narrative and budget from Avalon about the Hickory Way property.

Avalon is requesting a multi-year funding commitment to provide sufficient funding for 24/7 services at Hickory Way to enable Avalon to serve chronically homeless households, similar to the services model at Miller Manor. The second-year funding request for FY24 is \$633,568.

During the City's annual budget process, the City budgets the Affordable Housing Millage to the Ann Arbor Housing Development Corporation. AAHDC millage funding commitments are subject to funding allocations from the City of Ann Arbor. The FY23 millage budget has sufficient funding to approve this request and stay within the 20% cap on tenant services funding. The AAHDC purchasing policy does not require a competitive bidding process for tenant services contracts.

RESOLVED, That the Ann Arbor Housing Development Corporation board appropriate \$166,903 to increase the Hickory Way tenant services grant from \$182,436 to \$349,339 from the FY23 budget from the Affordable Housing Millage to Avalon Housing, Inc., with funds available until expended without regard to fiscal year.



MEMO

To: Jennifer Hall, Ann Arbor Housing Commission

From: Aubrey Patino, Avalon Housing

Date: January 12, 2023

Subject: Affordable Housing Millage Funding Request for Hickory Way Apartments

Avalon Housing's mission is to build healthy, safe and inclusive supportive housing communities as a long-term solution to homelessness. Since 1992 Avalon Housing has utilized housing first, an evidence-based approach to end homelessness, particularly for people who struggle with mental illness, substance use and intergenerational poverty. Through supportive housing - affordable homes combined with care and support - Avalon tenants and clients are able to stay in their homes and achieve stability. Avalon serves 800 people, including 200 children, in Washtenaw County. We build, own and currently manage 388 units of low-income housing across 29 sites in the County, including Hickory Way Apartments, a 70-unit property in Ann Arbor. Avalon serves our tenants as well as clients who are living in public housing and/or in units managed by private landlords. Our goal is to create a community in which all our neighbors live in stable homes, with an opportunity to thrive.

Avalon Housing is requesting time-limited funding to increase our staffing at Hickory Way Apartments so we can provide 24/7 on-site services to residents. When Avalon started leasing up Hickory Way apartments in 2021, we saw a 31% reduction in chronic homelessness in Washtenaw County as a result of our supportive housing program. 90% of the residents who've moved into Hickory Way have remained housed. We believe this additional funding will help us to continue to build on this housing success for our tenants.

Supportive housing is an innovative and proven solution to our community's toughest problems. It combines affordable housing with services that help people who face the most complex challenges live with stability, autonomy and dignity. Supportive housing improves housing stability, increases mental and physical health, reduces people's active substance use and

increases employment. "People in supportive housing live more stable and productive lives."
(CSH, Corporation for Supportive Housing)

Avalon is committed to serving our neighbors most in need of supportive housing, including veterans and chronically homeless individuals who've had long histories of unstable housing. Hickory Way is home to 70 people, most of whom have high needs for support services. Over the past year, we have experienced an unprecedented rate of incidents at Hickory Way, often after hours, that require timely, trauma-informed intervention by Avalon staff. While the Hickory Way community stabilizes, we are requesting funding to increase Avalon staffing levels for a 24/7 on-site presence. For most higher-density supportive housing sites, it can take three years from the start of lease-up to achieve stabilization. Additional Avalon staff would provide 24/7 care and support, crisis intervention, and preventative services. Additional staff would stabilize urgent medical, psychological, or conflict situations, resulting in a reduction in emergency calls to police or other first responders.

Hickory Way tenants and staff have consistently asked for a higher level of service to increase the safety and wellbeing of our community. Avalon recognizes the need to increase our staffing level on-site to meet the current level of need at Hickory Way.

Services already currently provided at Hickory Way include case management, peer support, medical services (primary care in partnership with Packard Health), services for older adults, and home health aide support. The attached budget proposal reflects Avalon's current Hickory Way operating budget, plus our additional funding request, which would fulfill our 24/7 on-site services need.

Residential Support Specialists check visitors in and out, answer phones and monitor security systems, and maintain the safety and security of residents by monitoring all general access areas and ensuring lease compliance. They intervene in crises, respond to emergencies, and initiate action as required, including contact with emergency response systems. They also coordinate services for tenants and contact outside service providers as necessary.

Support Coordinators collaborate with community partners to coordinate delivery of a broad range of services that meet the mental, physical, psycho-social and housing needs of our clients, either through direct service or connections to appropriate resources.

The Community Builder is based out of our onsite community center, and is responsible for oversight and coordination of community programming, as well as general oversight and maintenance of the Community Center.

Our funding request is time-limited for a maximum of three years while the property stabilizes. Over this period of time, we anticipate that many Hickory Way tenants will reach a point in their recovery where they will require less intense levels of support. We will phase out 24/7 on-site services at Hickory Way accordingly. For people who continue to require a higher level of care, we will coordinate with the AAHC, Community Housing Prioritization (CHP) Committee and the tenant to transition them to either Miller Manor or the new supportive housing development at

350 South Fifth. Both of these AAHC properties will have 24/7 on-site support services to meet residents' higher service needs.

Additional funding for 24/7 on-site staffing will enable Avalon to better support our tenants and dramatically reduce the need for crisis interventions and emergency responses. Our neighbors can stabilize and regain their lives. Our entire community benefits when all of us have safe and stable homes.

Hickory Way Service Program Cost Projection

	5 Months Detail	Full 12 Months
Positions & Item Descriptions		
	Total	Jul 2023 - Jun 2024
Team Leader	37,471	90,528
Support Coordinator-01	28,869	69,688
Support Coordinator-02	28,869	69,688
Support Coordinator-03	28,869	69,688
Community Builder	27,230	65,718
Peer Support	26,255	63,354
Home Health Aide	24,843	59,934
Residential Support Specialist	80,100	239,249
Personnel Total	282,507	727,847
Administrative Expense	1,335	3,284
Fees & Direct Tenant Assistance	833	2,050
Food, Youth & Other Tenant Programs	1,063	2,614
Information Technology	1,979	4,869
Reimbursement & Travel	342	842
Supplies, Appliances and Tools	1,042	2,563
Sub Total	6,594	16,221
Total Expenses	289,101	744,068
Revenue Sources		
	Total	Jul 2023 - Jun 2024
Morgan Stanley For Peer Support	9,519	22,500
City Millage	76,013	349,781
Hickory Way Reserve Funds	24,167	58,000
Services Management Fee	12,500	30,000
Total Revenues	122,198	460,281
Funding Needs	166,903	283,787

Notes

Peer Support position is 50% funded by lihtc grant until mid 2024

Filled Positions

To Be Hired

For Residential Support Specialist positions following schedule is planned for building full capacity:

Feb 2023 - 40%

Marh 2023 - 80%

April and on - 100%

Resolution 23-2 to approve a chiller contract with Robertson Morrison in the amount of \$319,810 as a non-competitive emergency contract for Baker Commons

The existing chiller at Baker Commons must be replaced prior to the summer of 2023 to ensure that the building meets code requirements for heating and cooling temperatures. The current chiller is over 40 years old and beyond its useful service life. Maintenance costs have increased dramatically over the past few years. It was operating at only 50% capacity during the summer of 2022. Due to supply chain problems, the lead time on a chiller that meets the requirements are 32-42 weeks. There is not enough time to conduct a public Request for Proposal process, which is normally required for contracts exceeding \$250,000.00.

After consulting with multiple HVAC contractors, Robertson Morrison provided a chiller solution that meets the building's needs, is in stock, and can be delivered and installed before the summer of 2023.

There is a compelling urgency to this contract and therefore this contract was executed under the non-competitive for an emergency need section of the procurement policy. Attached is the form documenting why this was the best source due to the urgent need to acquire a chiller as soon as possible.

The chiller is included in the Ann Arbor Downtown Development Authority grant to the AAHDC in the amount of \$591,000.

RESOLVED, That the Ann Arbor Housing Development Corporation board appropriate \$319,810 to contract with Robertson Morrison to purchase and install a chiller for Baker Commons, to be reimbursed by the Ann Arbor Downtown Development Authority, with funds available until expended without regard to fiscal year.



SOLE SOURCE / BEST SOURCE JUSTIFICATION

To be completed by Unit or Area and include additional details on separate sheets if necessary.

Vendor/Source _____

Amount (\$) _____

Unit or Area _____ Date _____

- Sole Source – A single vendor is uniquely qualified to meet the City's procurement objective.

Provide an explanation of the "need" that has to be fulfilled, focusing on the requirements (not a description of the product or service, which satisfies that need). Why is this vendor the only one that can fulfill the need identified?

Describe the unique aspects of their product or service and/or attach letter from vendor:

Check appropriate reason below:

- This is a product manufactured by a single vendor.
- This product or service is sold only through this single distributor.
- This service is unique to a single organization.
- An unusual or compelling urgency exists (explain below).

Best Source – Does the need meet one of the following “best source” definitions instead of the sole source definition referenced above (explain below):

- The product or service must match or be compatible with current equipment or services; or
- It would not be economically feasible for another vendor to provide the product or service needed; or
- A single vendor is uniquely qualified to fulfill the City’s need; or
- An unusual or compelling urgency exists.

What activities have already occurred prior to submitting this request? Discuss what other products and services in the market were reviewed and why they didn’t fulfill the need. Have you already evaluated products or services available on the market and then made a determination that this product or service is the only one that meets your need? Has the vendor already done any work related to this project or purchase?

Budget Comparison

Period = Dec 2022

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
3400-00-000 GRANT INCOME									
3415-11-000 City General Fund Revenue	157,330	57,330	100,000	174	443,982	343,980	100,002	29	687,962
3418-00-000 Grant Revenue	38,260	-	38,260	N/A	38,260	-	38,260	N/A	-
3499-00-000 TOTAL GRANT INCOME	195,590	57,330	138,260	241	482,242	343,980	138,262	40	687,962
3610-00-000 Investment Income - Unrestricted	692	92	600	652	1,669	552	1,117	202	1,100
3612-00-000 Loan Interest Revenue	-	-	-	N/A	-	-	-	N/A	540,000
3650-00-000 Miscellaneous Other Income	282,355	725,279	(442,924)	(61)	2,289,393	4,351,674	(2,062,281)	(47)	8,703,353
3680-00-000 Developer Fees	-	-	-	N/A	210,650	-	210,650	N/A	-
3699-00-000 TOTAL OTHER INCOME	-	-	-	N/A	210,650	-	210,650	N/A	-
3999-00-000 TOTAL INCOME	478,637	782,701	(304,064)	(39)	2,983,953	4,696,206	(1,712,253)	(36)	9,932,415
4000-00-000 EXPENSES									
4100-00-000 ADMINISTRATIVE									
4100-99-000 Administrative Salaries									
4110-11-000 Temporary Help	6,540	1,667	(4,873)	(292)	40,985	10,002	(30,983)	(310)	20,000
4110-99-000 Total Administrative Salaries	6,540	1,667	(4,873)	(292)	40,985	10,002	(30,983)	(310)	20,000
4139-00-000 Other Admin Expenses									
4171-00-000 Auditing Fees	-	2,500	2,500	100	-	2,500	2,500	100	2,500
4182-00-000 Consultants	8,980	36,347	27,367	75	311,174	218,082	(93,092)	(43)	436,163
4189-00-000 Total Other Admin Expenses	8,980	38,847	29,867	77	311,174	220,582	(90,592)	(41)	438,663
4190-00-000 Miscellaneous Admin Expenses									
4190-04-000 Office Supplies	-	-	-	N/A	-	150	150	100	150
4190-20-000 Bank Fees	10	-	(10)	N/A	60	160	100	63	160
4190-22-000 Other Misc Admin Expenses	721	-	(721)	N/A	4,687	200	(4,487)	(2,243)	200
4191-00-000 Total Miscellaneous Admin Expenses	731	-	(731)	N/A	4,747	510	(4,237)	(831)	510
4199-00-000 TOTAL ADMINISTRATIVE EXPENSES	16,251	40,514	24,263	60	356,906	231,094	(125,812)	(54)	459,173
4200-00-000 TENANT SERVICES									
4220-00-000 Resident Council	-	125	125	100	-	750	750	100	1,500
4220-01-000 Other Tenant Svcs.	1,950	417	(1,533)	(368)	10,640	2,502	(8,138)	(325)	5,000
4220-02-000 Tenant Services Support	45,642	70,884	25,242	36	456,681	425,304	(31,377)	(7)	850,610
4299-00-000 TOTAL TENANT SERVICES EXPENSES	47,592	71,426	23,834	33	467,321	428,556	(38,765)	(9)	857,110
4430-00-000 Contract Costs									
4430-09-000 Grounds Contract Costs	-	-	-	N/A	11,903	-	(11,903)	N/A	-
4439-00-000 Total Contract Costs	-	-	-	N/A	11,903	-	(11,903)	N/A	-
4499-00-000 TOTAL MAINTENANCE EXPENSES	-	-	-	N/A	11,903	-	(11,903)	N/A	-
4500-00-000 GENERAL EXPENSES									
4510-20-000 Liability Insurance	122	126	4	3	734	756	22	3	1,515
4521-00-000 Misc. Taxes/Licenses/Insurance	-	-	-	N/A	20	20	-	-	20
4540-00-000 Affiliated Entities Support	-	678,392	678,392	100	-	4,070,352	4,070,352	100	8,140,705
4570-01-000 Bad Debt Recovery	-	-	-	N/A	-	-	-	N/A	419,000
4580-00-000 Security Contracts	1,219	-	(1,219)	N/A	2,244	-	(2,244)	N/A	-
4599-00-000 TOTAL GENERAL EXPENSES	1,341	678,518	677,177	100	2,998	4,071,128	4,068,130	100	8,561,240
5000-00-000 NON-OPERATING ITEMS									
5210-00-000 Operating Transfers OUT	297,699	-	(297,699)	N/A	1,982,832	-	(1,982,832)	N/A	-
5999-00-000 TOTAL NON-OPERATING ITEMS	297,699	-	(297,699)	N/A	1,982,832	-	(1,982,832)	N/A	-
8000-00-000 TOTAL EXPENSES	362,883	790,458	427,575	54	2,821,959	4,730,778	1,908,819	40	9,877,523
9000-00-000 NET INCOME	115,754	(7,757)	123,511	1,592	161,994	(34,572)	196,566	569	54,892

Balance Sheet

Period = Dec 2022

Book = Accrual ; Tree = ysi_bs

		Current Balance
1000-00-000	ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-81-001	AAHDC - Savings - CSB	1,087,020
1111-82-000	AAHDC Checking-Chelsea Bank	552,328
1111-99-000	Total Unrestricted Cash	<u>1,639,348</u>
1119-00-000	TOTAL CASH	1,639,348
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1129-00-000	A/R-Other	282,415
1129-99-000	Allowance for Doubtful Accounts-Other	(14,504,699)
1135-04-000	A/R City of Ann Arbor	471,035
1135-05-000	A/R Miscellaneous	11,375,072
1145-00-000	Accrued Interest Receivable	<u>3,129,626</u>
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	753,450
1160-00-000	OTHER CURRENT ASSETS	
1211-02-000	Prepaid Other	21,091
1261-00-001	Development Expenses - Gen Pre-Development	264,775
1261-00-002	Development Expenses - Maple Tower	1,186,383
1261-00-003	Development Expenses - River Run	98,757
1261-00-004	Development Expenses - 121 E. Catherine	95,054
1261-00-005	Development Expenses - 350 S. Fifth	494,980
1262-00-000	Development Expenses - Colonial Oaks	116,078
1264-00-000	Development Expenses - Lurie Terrace	34,249
1269-99-999	Development Expenses - Contra Account	<u>2,290,276</u>
1299-00-000	TOTAL OTHER CURRENT ASSETS	<u>21,091</u>
1300-00-000	TOTAL CURRENT ASSETS	2,413,890
1400-01-000	FIXED ASSETS	
1400-08-000	Furniture and Equipment-Admin.	<u>189,744</u>
1405-90-000	TOTAL FIXED ASSETS	<u>189,744</u>
1499-00-000	TOTAL NONCURRENT ASSETS	189,744
1999-00-000	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCE:	<u>2,603,633</u>
2111-00-000	A/P Vendors and Contractors	372,979
2119-91-000	Accrued Payable	147,683
2200-00-000	Deferred Revenue	<u>1,740</u>
2299-00-000	TOTAL CURRENT LIABILITIES	522,402
2499-00-000	TOTAL LIABILITIES	<u>522,402</u>
2802-00-000	Contributed Capital	67,437
2805-99-000	TOTAL CONTRIBUTED CAPITAL	<u>67,437</u>

2809-00-000	RETAINED EARNINGS:	
2809-02-000	Retained Earnings-Current Year	222,156
2809-04-000	Unrestricted Net Assets	<u>1,791,638</u>
2809-99-000	TOTAL RETAINED EARNINGS:	<u>2,013,794</u>
2899-00-000	TOTAL EQUITY	<u>2,081,231</u>
2999-00-000	TOTAL LIABILITIES AND EQUITY	<u>2,603,633</u>
9999-99-000	TOTAL OF ALL	-