

AGENDA
ANN ARBOR AFFORDABLE HOUSING CORPORATION
REGULAR MEETING
March 17, 2021

Meeting Time and Location: **6:45 pm**
Zoom Meeting

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES January 20, 2021
- III. NEW BUSINESS
 - A. Resolution 21-2 to Approve Revision of the Dining Services at Lurie Terrace
- IV. ADJOURNMENT

MINUTES
ANN ARBOR AFFORDABLE HOUSING CORPORATION
INITIAL BOARD MEETING
January 20, 2021

Meeting Time and Location: **7 p.m.**
Zoom Meeting On-Line

President Meadows convened the meeting at 7:30 p.m.

Board Members present: Thierry Batalonga, Dr. Lee Meadows, Jennifer Hall, Dr. Mary Jo Callan, Dr. Steven Daniels,
Board Members absent: Patricia Jenkins

I. Approval of Agenda

Batalonga moved and *Daniels* seconded.

Motion approved 5– 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

III. NEW Business

**A. Resolution 21-1 to Approve Borrowing \$4,473,100 from HUD to Acquire 600 W
Huron Lurie Terrace**

Batalonga moved and *Daniels* seconded.

Motion approved 5– 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

IV. Adjournment

Batalonga moved and *Daniels* seconded.

Motion approved 5– 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

Meeting adjourned 7:45 PM

RESOLUTION FY21-2 AAAHC

Resolution to Approve Revision to the Dining Services in the Lease at Lurie Terrace

The AAAHC acquired Lurie Terrace on 3/12/2021 with a HUD 223(f) loan. The building was originally built using a different type of HUD financing, which required the property owner to include a full commercial kitchen and to provide and charge for dining services in the lease. However, the 223(f) loan specifically prohibits commercial kitchens and prohibits charging for dining services in the lease. Consequently, the AAAHC has about 90 days to disassemble the commercial kitchen and develop an alternative dining service/meal/food pantry plan for seniors at Lurie Terrace who are either food insecure and/or need the social interaction provided by a shared meal experience.

The AAAHC must assume the existing leases, which do include a 15-meal dining services charge of \$138/month. The AAAHC cannot continue charging for these meal services or we will be in violation of our HUD loan. However, the plan is to continue the full dining services for the rest of March and all of April and to continue charging tenants for dining services in April, as it is required in the lease that the AAAHC is assuming. During the month of April AAHC staff will talk to residents to find out how many people want to continue meal services and the type of meal service needed or desired. Once that is determined, the AAAHC will figure out how much a reduced and voluntary food program will cost and explore ways to secure funding to pay for a different type of meal program. For example, the AAHC provides 5 hot meals a week and a monthly food pantry at Baker Commons for about \$30,000/year by partnering with Food Gatherers and PNC. The Baker Food program is currently paid for by the County Mental Health Millage.

Most of the leases are month-to-month, so the AAAHC can sign new leases starting May 1, 2021 that discontinues the dining charges. However, some of the tenants have leases that extend beyond May 1, 2021 and the AAAHC needs to discontinue their meal services as well. There are 4 versions of the lease in place and some do allow for the Board of Directors to change the number of meals that are provided and to change the charges for those meals during the lease term. Consequently, this resolution is intended to remove the requirement for residents to pay for 15 meals/month starting May 1, 2021. For tenants who wish to continue receiving meal services, the AAAHC will continue providing a different type of meal service starting May 1, 2021 that does not require tenants to pay for 15 meals/month.

RECITATIONS

WHEREAS, The Ann Arbor Affordable Housing Corporation purchased Lurie Terrace with HUD 223(f) financing, which does not allow a project to charge tenants for meals in the lease and does not allow the project to have a commercial kitchen; and

WHEREAS, When Lurie Terrace was built with HUD financing, it was required to have a commercial kitchen and charge tenants for meals; and

WHEREAS, The AAAHC has 3 months to disassemble the cooking facilities; and

WHEREAS, The AAAHC must assume the existing leases, all of which include dining charges and most of which are month-to-month leases; and

WHEREAS, The AAAHC must sign new leases with residents that remove the dining charges; and

WHEREAS, Some residents have said they are glad they will no longer have to pay for meals and other residents have said they rely on these meals for companionship and nutrition; and

WHEREAS, The AAAHC needs to conduct an assessment to determine how many residents rely on and want to continue a meal/dining/food pantry option and then the AAHC will develop an alternative program and apply for funding to pay for the program; and

RESOLVED, The Ann Arbor Affordable Housing Corporation Board approves reducing the cost of dining services to zero and reducing the required number of meals to zero in the lease starting May 1, 2021; and

RESOLVED, The Ann Arbor Affordable Housing Corporation will conduct a food assessment with residents at Lurie Terrace and create a new program that is voluntary and is paid for through grant or other funding, instead of charging for meals in the lease.

We are pleased to meet you!

The Ann Arbor Housing Commission (AAHC), through its non-profit called the Ann Arbor Affordable Housing Corporation (AAAHC), is scheduled to purchase Lurie Terrace on March 12, 2021. The purpose of this letter is to provide information about the impact this purchase will have on your lease, rent, and other fees. We will follow-up with a second letter to confirm that the information we have in our records matches the information you have related to your security deposit, rent charges, and account balance. And we want to let you know what we anticipate will change for you in your new lease and explain why.

CURRENT LEASES: The AAAHC is assuming (agreeing to) the existing leases at the time of acquisition. However, starting April 1, 2021, you will be paying the Ann Arbor Affordable Housing Corporation your rent and any fees instead of Senior Citizen Housing Ann Arbor (SCHAA). The AAAHC will be charging you the same rent in April as your rent was in March. This includes your parking fees (if applicable) and dining service fees for 15 meals only. The AAHC will not be charging \$10/month pet fees starting April 1, 2021 because we do not charge monthly pet fees at our other properties.

NEW LEASES: During the months of March/April we will make every attempt to meet with every tenant to review the information in this letter and to sign new leases with the AAAHC. Almost everyone is on a month-to-month lease, so we will continue the lease you have in place with SCHAA and our new lease will take effect on MAY 1, 2021. We will go over the new leases with each of you before you sign it.

RENTS: No one will experience an increase in rent on May 1st, and many people will experience a decrease in rents because we are rounding rents down to the nearest dollar, with no cents charged. In addition, to simplify the rents for us, we are consolidating several types of units that are very similar in size and amenities and if the rents are different for tenants, we are going to charge the lowest rent for all tenants with that unit type.

PARKING: The parking fees will stay the same and the current parking waitlist will be maintained.

DINING SERVICES: Starting MAY 1, 2021, when you sign a new lease with the AAAHC, we will no longer charge for 15 meals as a part of your lease. During the month of April, we must charge for 15 meals to all residents to comply with your current leases. During the month of April, we will assess the dining services and find out how many people rely on and want some kind of continued meal service. We will create a voluntary meal/food program based on what we learn from residents.

STAFF: The AAHC is still in the process of hiring permanent staff, who will become City employees and the Ann Arbor Housing Commission. We have hired a Residency Manager, Joel Barson, who starts on Tuesday, March 16th. We are contracting with SCHAA to continue to provide existing staffing until we have hired all of our permanent staff.

PROJECT BASED VOUCHERS: Many residents signed up for the AAHC's project-based voucher program. We currently only have 30 vouchers available to attach to apartments at Lurie with a rent subsidy. We will go through the waitlist and select Lurie applicants in the order they applied to determine if they are

still interested in a voucher and if so, go through the income certification process. Eligible residents will then pay 30% of their gross income on rent instead of the full rent. The voucher subsidy will take effect the month after the tenant's income and eligibility are completed and certified. A new lease will need to be signed at that time because the tenant's portion of rent will change. When someone moves out who has a voucher, we will pull the next person (who lives at Lurie Terrace) on the waitlist to determine if they are still interested and eligible for a voucher.

SECURITY DEPOSIT: SCHAA will transfer your security deposit to the AAAHC and it will be deposited into a dedicated banking account.

MAINTENANCE WORK ORDERS: The AAHC has dedicated on-call staff to respond to emergency work orders 24/7. All work orders can be submitted by calling the AAHC main phone line at 734 794-6720 and leaving a message if you do not reach the receptionist. If it is an emergency, please dial extension 2 and you will be connected to our professional answering service (a live person not a recording) If it is an emergency, the answering service will contact the AAHC staff who are on-call so they can respond.

TIMELINE

March 12, 2021 – Purchase by the Ann Arbor Affordable Housing Corporation (AAAHC)
Start paying rent and fees to AAAHC instead of the SCHAA

April 1, 2021 – Rent, parking fees and dining fees will be the same as March 2021 except \$10/mo pet fees will not be charged

March 12, 2021 – April 30, 2021: AAHC staff will meet with all residents to answer questions, ask questions and to sign new leases with the AAAHC. Start application process with the first 30 tenants on the Project-Based Voucher waitlist.

May 1, 2021 – New lease with AAAHC takes effect with new rents, the same parking fees, and NO dining service fees

The goal is to continue dining/food services with the residents who request/need a food service option starting May 1, 2021. This will be an optional program. The goal is to find grant funding to pay for the new dining/food service program.

Please contact Beth Yaroch, Director of Operations, at 734 794-6720 ext. 47206 if you have any questions. BYaroch@a2gov.org

Sincerely,



Jennifer Hall
Executive Director