

CHEBOYGAN HOUSING COMMISSION

CY 2022 PHA ANNUAL PLAN | EXHIBIT C.1 'New Activities' – Amended 8/17/2022

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Summary of Amendments proposed August 2022

AMENDED 'Section 18 Demolition and Disposition': The approved plan indicates the rehab project will be 'mixed-income', this has been removed, the entire project will target 100% households that are 60% Area Median Income (AMI) or less. This is needed to improve scoring on the Low Income Housing Tax Credit (LIHTC) application.

AMENDED 'Choice Neighborhoods': Removed reference to Choice Neighborhoods applications. Pairing Choice Neighborhoods and Repositioning is a HUD best practice; however, three attempts at application have been unsuccessful.

AMENDED 'Timeline for demolition or disposition': Removed 'demolition' from section title. LDHA and Development services partnership, added changes to initial project plan.

AMENDED 'Conversion of Public Housing': States specifically that Disposition application is pending successful receipt of LIHTC equity to rehab units.

AMENDED 'Conversion of Public Housing': Added reference to correction of the DOT and intent to submit disposition without local government support if necessary.

Section 18 Demolition and Disposition

AMENDED: The approved plan indicates the rehab project will be 'mixed-income', this has been removed, the entire project will target 100% households that are 60% Area Median Income (AMI) or less. This is needed to improve scoring on the Low Income Housing Tax Credit (LIHTC) application.

The PHA has been working with technical assistance since October 2019 to review and select a repositioning strategy. The PHA intends to reposition the public housing program through Section 18 Demolition and Disposition. Using repositioning as a preservation tool, the PHA has selected a partner to redevelop public housing sites into mixed-finance, expand affordable housing opportunities in Cheboygan.

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Establishment of PHA Non-Profit Affiliate

At a Special Meeting held November 5, 2021 ahead of the PHA Annual Meeting, the Board of Commissioners voted to establish Cheboygan Housing Commission's Non-profit affiliate 'Home Port Housing & Community Development'. Through this entity the PHA will engage in development agreements to substantially rehabilitate its public housing portfolio, and in the future hopes to engage in additional community development and amenity projects.

Public housing projects owned by the PHA and subject to ACCs

The City of Cheboygan established the Public Housing Authority (PHA) in 1962 and constructed three (3) scattered site properties comprising one (1) AMP with 38 units of varying sizes. The PHA also manages 120 Housing Choice Vouchers in its jurisdiction consisting of the City of Cheboygan and seven (7) surrounding townships.



424 Lincoln Avenue

Additional Features: Community Room & Carport, Maintenance Garage, Workshop, Combustible Storage, Tenant Storage Lockers (1/unit)

<https://www.google.com/maps/place/Cheboygan+Public+Housing+Commn/@45.6345845,-84.4853829,134m/data=!3m1!1e3!4m5!3m4!1s0x0:0xc8a2193d81227e17!8m2!3d45.6345586!4d-84.4855247>

LINCOLN AVENUE

418 Lincoln Avenue
420 Lincoln Avenue
422 Lincoln Avenue
424 Lincoln Avenue
PHA Office at 659 Cuyler Street
657 Cuyler Street
655 Cuyler Street
653 Cuyler Street
651 Cuyler Street

(6) 1BR Standard Units at 651, 653, 655 and 657 Cuyler Street, and 420, 422 Lincoln Avenue

(2) 1BR 504 Compliant Accessible Units at 418 Lincoln Avenue and

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CLEVELAND AVENUE

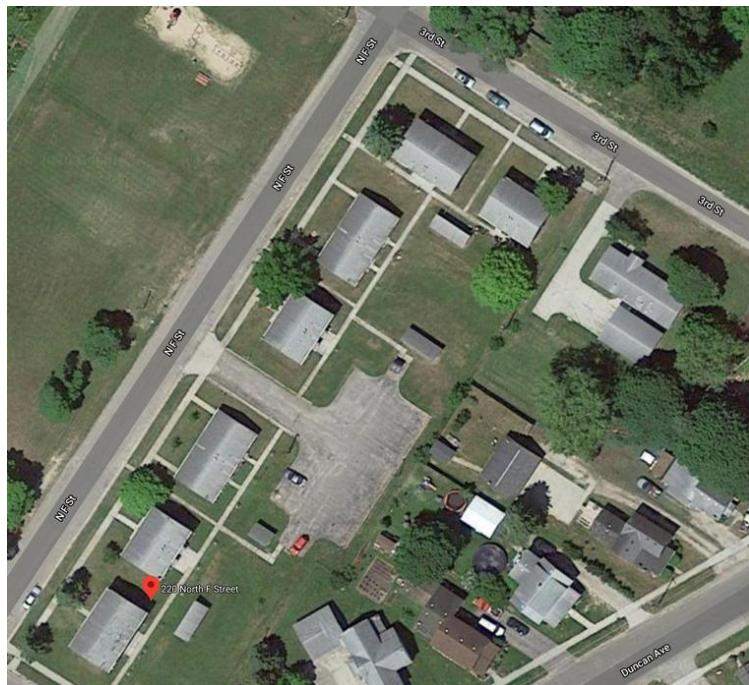
414 Cleveland Avenue
416 Cleveland Avenue
418 Cleveland Avenue
420 Cleveland Avenue
426 Cleveland Avenue
428 Cleveland Avenue
430 Cleveland Avenue
432 Cleveland Avenue
434 Cleveland Avenue
436 Cleveland Avenue
438 Cleveland Avenue
440 Cleveland Avenue
446 Cleveland Avenue
448 Cleveland Avenue
450 Cleveland Avenue
452 Cleveland Avenue

Site Features: (8) Duplexes, (16) Units 2-4 BR, each unit has Storage shed (4) structures , (2) parking lots, close proximity to elementary school, City of Cheboygan Major City Park is located on Declaration of Trust property featuring recreation center, walking trail, fishing piers, and footbridge over river to Downtown Cheboygan. No accessible design features.

<https://www.google.com/maps/place/440+Cleveland+Ave,+Cheboygan,+MI+49721/@45.6399735,-84.4743086,199m/data=!3m1!1e3!4m5!3m4!1s0x4d3597c24477538b:0x4489059fe46abea1!8m2!3d45.6394151!4d-84.4743351>

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North F/Third Street

- 202 North F Street
- 204 North F Street
- 206 North F Street
- 208 North F Street
- 210 North F Street
- 212 North F Street
- 218 North F Street
- 220 North F Street
- 222 North F Street
- 224 North F Street
- 802 Third Street
- 804 Third Street
- 808 Third Street
- 810 Third Street

Site Features: (7) Duplexes

(14) Units 1-3 BR, each unit has storage shed (4) structures, (1) Parking Lot, city park directly across street from units (the may be on DOT property also, and will be explored through title search).

<https://www.google.com/maps/place/220+N+F+St,+Cheboygan,+MI+49721/@45.644961,-84.4650492,238m/data=!3m1!1e3!4m5!3m4!1s0x4d3597da48580801:0x6a7b45cac1d14e7f18m2!3d45.6443546!4d-84.4652695>

Choice Neighborhoods

AMENDED: Removed reference to Choice Neighborhoods applications. Pairing Choice Neighborhoods and Repositioning is a HUD best practice; however, three attempts at application have been unsuccessful.

Timetable for [~~demolition~~] or disposition

At start of small PHA technical assistance, the PHA director set a goal of submitting special application in January 2021. The Covid-19 pandemic has slowed progress on this goal. Additionally, the first partner selected was not able to agree to terms stated in Memorandum of Understanding (MOU). A new partner was selected in September 2021 pursuant to Request for Qualifications issued in July 2021 in compliance with the Mixed Finance Rule.

AMENDED: Removed 'demolition' from section title. LDHA and Development services partnership, added changes to initial project plan,

Limited Dividend Housing Association (LDHA) has been formed with development partner. Development services contract has been executed.

Current CHC Scattered Site Properties

In our initial analysis of the project, we were pursuing a Michigan State Housing Development Authority (MSHDA) 4% Tax Exempt Bond Financing application and the HUD Section 18

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Disposition simultaneously. However, after delays with the city and an updated analysis of the best financing approach, it was determined that the project should pursue a MSHDA 9% development in the October 2022 round. This round has a preservation category, which is a preference funding category. Applying under 9% LIHTC would allow the project to collect more tax credits and therefore more equity into the project. This also will assist in closing any gap that is created by increased construction costs as seen in all current projects.

Due to the shift in the financing, and continued conversations with the city, we are working with our HUD Specialist to shift the Section 18 Disposition timeline to match the timing of the 9% development.

We will also shift our relocation timeline and process to match the timing of closing on the 9% financing.

Please refer to the timeline below for more information.

New Construction Site

We have been working with the seller of the property to clear up the easements and legal description on the property. Our attorney, Tom Lapka, is reviewing the recently obtained survey and legal description to clear up this matter with the seller's attorney.

Due to this and more time needed to analyze the feasibility of this project we determined it was best to apply for the 9% MSHDA LIHTC Financing in the April 2023 round.

Please refer to the timeline below for more information.

Task Name	Start	Finish	Comments
Scattered Site Rehabilitation (9%)	07/05/22	12/31/24	
Appraisal	07/05/22	07/05/22	
Survey	07/29/22	09/30/22	
Order Market Study	07/29/22	07/29/22	
PILOT	08/01/22	09/30/22	
Level One Review - MSHDA Preservation	08/01/22	08/01/22	
9% LIHTC Submission	10/03/22	10/03/22	
Section 18 Disposition	11/01/22	03/31/23	Will be confirmed with HUD Specialist
9% LIHTC Award	01/06/23	01/06/23	
Design and Cost Estimating	01/16/23	05/31/23	Will be confirmed with FSP
Closing on Financing	11/15/22	11/15/22	
Construction Period	11/16/23	12/31/24	Will be confirmed with First Contracting
New Construction (9%)	07/29/22	07/31/24	

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Purchase Agreement/Easement Correction	07/29/22	07/29/22	
Conceptual Design/Zoning/Site Plan Approval	02/28/23	02/28/23	Will be confirmed with FSP
Order Market Study	01/13/23	01/13/23	
PILOT	11/01/22	02/28/23	
Level One Review	02/01/23	02/01/23	
9% LIHTC Submission	04/03/23	04/03/23	
9\$ LIHTC Award	06/30/23	06/30/23	
Design and Cost Estimating	07/03/23	12/29/23	Will be confirmed with FSP
Closing on Financing	04/28/23	04/28/23	
Construction Period	05/01/23	07/31/24	Will be confirmed with Frist Contracting

Conversion of Public Housing

AMENDED: States specifically that Disposition application is pending successful receipt of LIHTC equity to rehab units.

If application for Low Income Housing Tax Credits (LIHTC) to fund substantial rehabilitation of public housing is successful, the PHA will submit Section 18 disposition application.

If HUD approves the PHA's application to reposition through Section 18, the PHA will convert its public housing portfolio of 38 units to tenant-based assistance through Tenant Protection Vouchers (TPV). The PHA will utilize all assistance received through current public housing operating subsidy and capital fund program grants, voucher administrative fees, and voucher obligated funds for rental assistance or other housing assistance in connection with such conversion.

The PHA holds a small reserve of voucher obligated funds and did suffer recapture in CY 2021 due to inability to lease up pursuant to lack of owners working with the program. To reduce the amount of voucher funding subject to recapture the PHA is using payment standards set at 110% of fair market rent in the current calendar year, and proposed to do the same in CY 2022. By 'vouchering out' of public housing, the PHA will not only streamline its operation, offering one optimized and high quality program, but will also achieve a fully leased voucher program by using the assistance at its own units.

Any remaining public housing reserves would be used for eligible repositioning and affordable housing redevelopment expenses such as resident relocation, predevelopment assessments, abatement of environmental hazards required before demolition and rehabilitation, demolition and other eligible activities.

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AMENDED: Added reference to correction of the DOT and intent to submit disposition without local government support if necessary.

In reviewing public housing inventory to prepare for closeout, the PHA discovered incorrect documentation of one scattered site property on the DOT. This issue is being corrected, a separate parcel number and legal description will be provided after the sites are surveyed.

Survey is scheduled for late August or early September 2022. The PHA's development team has all items needed for the submission of HUD form 52860, with the exception of local government support. If local government support is not achievable, the application will be submitted with documentation of attempts to receive support.

Project-Based Vouchers

PHA Annual Plan Instructions: Describe any plans to use HCVs for new project-based vouchers. (24 CFR §983.57(b)(1))

The PHA received permission from HUD in December 2019 to Project Base a percentage of its vouchers; 24 of the current allocation of 120 vouchers can be project based. Use of Project Based Vouchers is consistent with the PHA plan goals of improving quality, affordable housing options in the city of Cheboygan, and optimizing the voucher program. Additionally, Project Based Vouchers may be helpful in achieving goals of assisting hard-to-house populations such as the chronically homeless, homeless youth, foster youth transitioning to independence, and family unification.