

HOUSING AUTHORITY OF THE CITY OF ANNAPOLIS
Board of Commissioners Monthly Meeting
In-Person: Pip Moyer Recreation Center
Tuesday, June 24, 2025 – 4:30 pm

Agenda

- I. Call to Order/Roll Call
- II. Approval of Minutes
 - May 27, 2025 - Open Meeting Minutes
- III. Chairman’s Report – Chairman Bishop Coates
- IV. Executive Director Report – Melissa Maddox-Evans
 - Finance Report – Marisa Stanley
 - Operations Report – Melissa Maddox-Evans
 - Development Report – Aseem Nigam
 - Residential Services Report – Bridget McLaughlin
- V. New Business

Resolution No. FIN 062425-01	Monetary Increase Full-Service Work
Resolution No. FIN 062425-02	FY2026 Budget Approval Resolution
Resolution No. ADMIN 062425-03	Grievance Hearing Panel
Resolution No. FIN 062425-04	Bloomsbury Square Brick Hazard
Resolution No. FIN 062425-05	MOU Extension (Pending)
Resolution No. ADMIN 062525-06	Emergency Action Plan (Pending)
- VI. Public Comments
 - Elected Official’s Comments
 - Resident Advisory Board Comments
 - Resident Council Comments
 - General Public Comments
- VII. Next Meeting Date – Tuesday, July 22, 2025 - In-person at Pip Moyer Recreation Center
- VIII. Adjourn Meeting

HOUSING AUTHORITY OF THE CITY OF ANNAPOLIS
Board of Commissioners Meeting Minutes
273 Hilltop Lane, Annapolis, MD 21403

Tuesday, June 24, 2025 – 4:30 pm

I. Call to Order

The meeting was called to order by Chairman Coates at 4:30 pm. Chairman Coates iterated the guidelines for speaking before the Board of Commissioners.

Present: Kimberlee Cornett, Arthur Edwards, Jr., Bishop Craig Coates, Patrick Sheridan, Jackie Wells, Melissa Maddox-Evans

Not present: Henrietta Webb-Herbert (absent)

II. Approval of the Minutes

April 2025 Open and Closed Meetings

Motion for approval by Chairman Coates, seconded by Comm'r Sheridan and Comm'r Edwards, Jr, Comm'r Cornett, Comm'r Wells, Comm'r Webb-Herbert. Unanimous approval.

III. Chairperson's Report (Bishop Craig Coates)

Chairman Coates shares his open statement “As the Chairman of the commission, I want to welcome you to this month’s meeting. I want to begin by sincerely thanking each of you for being here. Your presence and input are truly valued, as we work together to support our community. As we are preparing for a safe and pleasant summer, we are especially looking forward to the opening of the pool, the continued engagement of our partner organizations that help our community. These are important moments that bring joy and connection to our residents. I would also like to take a moment to acknowledge the leadership and management teams from Obery and Morris Blum that are coming to the meetings. We appreciate your dedication to your teams, and we look forward to strengthening our collaboration and many meaningful ways. To our resident advisory board, I am eager to meet and explore the commission and how the commission can further support and uplift the incredible work that you all are doing across our neighborhoods. Last but not least, a heartfelt thank you to Melissa and the entire staff and our management team for your ongoing commitment and service to our residents. Your work does not go unnoticed. So today, let’s have a productive meeting. Thank you.

IV. Executive Director Report (Exec. Dir. Maddox-Evans)

Exec. Dir. Maddox-Evans shares it has been a really good month in regard to operations, Thanks to the partnership funding that has been received. State, County and City, in which are enabling HACA to perform more rapidly. Licensing through all properties has widely increased, working on Robinwood to clear the last few, towards 100% licensing. Sharing that the Annual License inspections for the following year have already begun. Exec. Dir. Maddox-Evans shares that through the uncertainty in the federal level of funding, it is good to have the local partnership to continue providing safe and habitable housing. Exec. Dir. Maddox-Evans shares that PIC scores have improved, and the court filing process is being organized in terms of hiring a person to solely focus on this task. Sharing that, twelve failures to pay rent as well as twelve breach of lease fillings have been submitted to HACA’s attorney. Exec. Dir. Maddox-Evans shares that in order to assist HACA’s residents, a resident program is being created, that tenant council leaders can apply annually to HACA’s non-profit

organization for funding for resident programs. Also, that a scholarship program is being created in Andre Atkins name to support educational opportunities for HACA residents. Comm'r Wells shares that the scholarship program is a great initiative. Comm'r Cornett asks about the license percentages and Exec. Dir. Maddox-Evans iterates that there are very few outstanding in Robinwood and Harbour House, once those clear all properties will be 100%. Commission Board sharing that is excellent work and great news, highlighting that is very impactful for expedited fillings.

V. Finance Report (Marisa Stanley)

CFO Marisa Stanley informs that the City of Annapolis and County grants are being actively utilized to support agency operations. As of April 30th, to date, HACA has used \$392,335 of the City grant for Maintenance labor, contractor services and material used for unit rehabilitation. As of May 7th, 300 unit licenses have been issued during the current grant reporting period. Cumulatively 499 licenses have been issued. Comm'r Edwards asks if HACA is cash flow neutral. Marisa Stanley iterates, yes, that the grant is allowing HACA to increase Public Housing reserves, creating a positive impact on cash flow. Comm'r Edwards asks if the grants are included in income. Marisa Stanley iterates; it is. Comm'r Cornett asks how HACA is telling the City about their investment progress. Marisa Stanley shares that HACA submits progress reports, and the City sees the impact of their dollars. Exec. Dir. Maddox-Evans informs that there are weekly meetings with the City where updates are provided along with the progress reports as well as Alderpersons have joined these meetings and updates have been provided. Comm'r Cornett asks if there are any downside scenarios that has been drawn out for next fiscal year. Marisa Stanley informs that she is working on the FY26 Budget, looking to schedule a meeting a week before the next board meeting to review the budget, and to submit budget resolution to the board the following month. Comm'r Edwards asks about the "Skinny Budget" concept, as Exec. Dir. Maddox-Evans shares that the Trump administration is planning major cuts. Sharing that their prospective housing budget is unrealistic. The president's budget is in negotiation phases on the congressional levels. Exec. Dir. Maddox-Evans shares budget and cost is being monitored and reconciled for residents who may have died, have a double subsidy, unreported income and so forth.

VI. Operations Report (Exec. Dir. Maddox-Evans)

Exec. Dir. Maddox-Evans shares that compliance measures are improving. Efforts to collect rent and conferences for residents are available. The Diversion program lead by Toni Strong-Pratt will be starting next month, in hopes to assist residents in lease compliance. State inspection for the pool has passed and searching for lifeguards. Exec. Dir. Maddox-Evans shares that residents interested in the diversion program can reach out to their property management team. Those who may have a lease violation, behind in rent can participate in this program to come up with an individual plan in reaching lease compliance.

VII. Development Report (Aseem Nigam)

Aseem Nigam shares that the 100% completion of Morris Blum is slated for November of this year. Sharing that Robinwood and Bloomsbury 9% (LIHTC) application has been submitted. Aseem Nigam shares that Robinwood can be developed up to 214 units. Sharing that as of May 12th there is a zoning text amendment that has been introduced with the City council, in hopes that it is passed. Once that is passed, the developer can add in the homeownership units as phase 3. The 4% (LIHTC) application is

being worked on for Bloomsbury Square. Harbour House and Eastport developer and architect are working on the phase 1 plan. Meetings are upcoming with the WINN Company and Landex regarding the Annapolis Gardens Sale. Comm'r Edwards asks if there is contemplation for CNI with Genesis Company, Aseem Nigam states they are, and an application will be submitted next year.

VIII. Resident Services Report (Bridget McLaughlin)

Bridget McLaughlin shares that she and Aseem Nigam met with the YMCA to go over progress and is waiting on an occupancy permit. Once that is processed, the State can come out and inspect, anticipating a September open date or before. Bridget McLaughlin shares that a pool pop up will be held so residents can receive pool access wristbands. Bridget McLaughlin welcomes and congratulations FSS graduate Takyra Caulthren. RAB Resident Council training with Dr. Little was held last week. Chairman Bishop Coates asks, outside of the pool what other programs are available for the youth. Bridget McLaughlin shares that 22 kids have been registered for the PIP Moyer summer camp. Chairman Bishop Coates welcomes the Police Department staff and insinuates there should be a partnership for programs within the community.

Mary Ellen Turner, Family Sufficiency Coordinator welcomes FSS graduate Takyra Caulthren. Sharing the amazing work she has done within the FSS program.

Chairman Coates speaks on the resident survey that has been sent out. Stating the feedback is greatly appreciated and initiatives will be coming soon. Regarding the food pantry, Chairman Coates shares the architect provided a scope of work to get the pantry running and sharing the cost of over \$50,000 does create a barrier in this process and HACA will not pursue at this time but will consider for future redevelopment.

IX. New Business

Resolution No. FIN 052725-01	Bayview Construction Management Services
Resolution No. ADMIN 052725-02	Corporate Resolution
Resolution No. FIN 052725-03	Affordable Housing Development Law
Resolution No. FIN 052725-04	Corporation Counsel Legal Services

Motion:

Ayes: Chairman Coates, Comm'r Edwards, Comm'r Sheridan, Comm'r Wells, Comm'r Cornett

X. Elected Officials' Comments:

Burrell Downs, Chief of Staff for Senator Henson's office shares Senator Henson has been invited to speak at a unity forum at the Busch Library, 5pm for anti-bullying. Job training opportunities for all youth, May 31st at Pip Moyer. Highlighting their newsletter, as it is packed in valuable information. Burrell Downs states that AACPS are going to continue their summer meals. May 28th there is an expungement and resource fair at the Stanton Community Center. The City also has a summer parks program. Burrell Downs shares there is a free program through DHCD that assists in home upgrades and repairs. Connect Anne Arundel is partnering to ensure Chromebook distribution.

XI. **Resident Advisory Board Comments**

Carolyn Keene, President of the Advisory Board shares that Obery court election is complete. Training with Dr. Little was a success. Annual Tea Party coming August 16th. Wilbourn will be starting soon. Robinwood Annual day is in planning.

Debbie Odum speaks and requests for the neighborhood watch program to be implemented again into the neighborhoods. Sharing that parking permits and a lower speed limit is being requested for the Annapolis Gardens neighborhood.

XII. **Resident Council Comments**

No additional comments were given.

XIII. **Public Comments**

Mr. Phelps shared his concerns with management at Morris Blum.

Matthew Wallace speaks and shares the great progress that has been happening with the planting boxes at Harbour House/Eastport Terrace.

Donna Johnson shares Donnas Day of Hope will be partnering with Hillsmere for reading outdoors. Two restaurants have offered to provide food and snacks for the younger youth at their events. Sharing \$500 donations will be provided for snacks, juices, water for June and July. Donna Johnson shares that she has got 8 kids for the summer camp.

XIV. **Next Meeting Date** – June 24, 2025, In-person at Pip Moyer Recreation Center

XV. **Adjourn** – A motion was submitted by Chairman Coates and seconded by Comm'r Wells, Comm'r Edwards, Jr, Comm'r Sheridan, Comm'r Cornett to adjourn. The meeting was adjourned at 5:50 pm.

XVI. **Closed Session** – Chairman Coates called for closed session to discussion concerns regarding Commissioner compliance. The Board agreed to forward concern to the Mayor.

The Housing Authority of the City of Annapolis



Board of Commissioners Report
June 24, 2025



The Housing Authority of the City of Annapolis Board of Commissioners

Bishop Craig Coates



Chairman

Patrick Sheridan



Vice-Chairman

Arthur Edwards, Jr.



Treasurer

Jacquelyn Wells



Secretary

Kimberly Cornett



Commissioner

Henrietta Webb-Herbert



Commissioner

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Executive Director Report

June 2025

Executive Director/CEO

We are able to open our pool this month for the summer. The City will provide lifeguards and HACA will maintain upkeep and maintenance. We are glad we can provide this amenity for the children and families.

The Trump Administration's "[skinny budget](#)", was submitted to both the House and Senate and hearings were held to for the Congress to discuss, which indicates deep cuts to affordable housing programs nationwide. We will not know what final numbers are decided upon until the fall. We hope that the Congress approves a budget that is more stabilizing for our families.

We will be exploring austerity measures for the HCVP program as it is now in shortfall status. We are closely monitoring the program along with HUD. Our Public Housing operations are moving thanks to the contributions of the additional funding sources from the City and the State.

We have invited the Mayoral candidates to participate in an affordable housing Mayor's candidate forum in July, to provide the candidates the opportunities to express their views on affordable housing sustainability. We will provide you with more information on that event.

Below are examples of additional highlights that occurred this past month.

Development/Capital Projects

- Morris H. Blum residential units are nearly complete.
- We are working are solidifying terms for the MOU for Eastport Terrace/Harbour House redevelopment project with Genesis.
- HACA and Developer, CHP submitted both 9% and 4% twinning LIHTC applications for Robinwood and 4% applications to the State for Bloomsbury Square. We are concurrently pursuing funding applications with the County.
- We met with the Winn Co. development team to discuss their proposed acquisition of Annapolis Gardens.

Finance

- The draft budget for FY 2026 was submitted to the HACA Finance Committee for review and will be submitted for the Board's approval this meeting.

Operations/ Management/HCVP

- Quadel has begun the recertification backlog work for the HCVP program and is making great progress.
- Our PIC score for the HCVP is still 82.53% and 96.11 PH % programs. Full reporting compliance is 95% for both programs. We are addressing technical delays in our PIC submissions due to error messages, particularly in the HCV program, as on occasion Yardi

systems do not communicate well with HUD-PIC systems. It is very time-consuming yet necessary work to ensure HUD is properly capturing our tenant data.

Legal/Compliance

- I attended a mediation hearing for the Johnson and Fisher cases on June 12th at the US District Court of Maryland in Baltimore. No settlement was reached, talks will continue.
- We will resubmit the 5-Year Plan and Annual Plan to HUD after making technical corrections, upon HUD's request.

Resident Services

- I visited Easport Terrace/Harbour House to speak with residents and obtain their feedback on their community.

City/County/State Partnerships

- Met with Anne Arundel County's Sheriff Everett to discuss public safety improvements for our communities.
- Attended weekly meetings with the City's Housing Affordability Specialist and Community Development Staff.
- Attend meeting with the Baltimore Metropolitan Council to discuss fair housing strategies and the Analysis of Impediments for the region.

Community Partnerships/Events

- I was invited to attend the National Housing Conference Gala on June 11th.
I attended the HAND's Annual Meeting and Housing Expo in June 5th.

Finance Report

May 2025 Rent Collection

By Property:

Property	Occupied	Month			Pymts Collected in May 2025 for Prior months	Pymts Collected in May 2025 for Next Months	Total Collected in May 2025
		Charges	Payments	% Collected			
Eastport	313	\$ 19,363	\$ 11,651	60%	\$ 1,831	-	\$ 15,232
Harbour House	313	\$ 65,888	\$ 33,261	50%	\$ 632	-	\$ 31,893
Robinwood	125	\$ 55,847	\$ 21,212	38%	\$ 3,747	-	\$ 28,708
Bloomsbury	51	\$ 21,364	\$ 13,861	65%	\$ 438	-	\$ 10,799
HACA Managed Total	489	\$ 162,462	\$ 79,985	49%	\$ 6,648		\$ 86,633

May 2025 Outstanding Rent Balances and Repayment Agreements

By Property:

Property	Outstanding Rent Balances	Number of Delinquent Residents	Number of Repayment Agreements	Repayment Agreement Totals	Outstanding Rent Balances minus Repayment Agreements	Number of Delinquent Repayment Agreements	Percentage of Delinquent Repayment Agreements
Eastport Terrace	\$ 86,048.65	28			\$ 86,048.65	0	0.0%
Harbour House	\$ 441,625.66	100	1	\$ 440.63	\$ 441,185.03	0	0.0%
Robinwood	\$ 565,451.37	60			\$ 565,451.37	0	0.0%
Bloomsbury Square	\$ 97,837.89	18			\$ 97,837.89	0	0.0%
Totals	\$ 1,190,963.57	206	1	\$ 440.63	\$ 1,190,522.94	0	0.0%

Operations Report – Public Housing

Emergency Work Orders (Closed within 24 Hours) *

Property	Month				Year to Date		
	Generated	Closed within 24 Hours		%	Generated	Closed within 24 Hours	%
Bloomsbury Square	7	7	✓	100%	30	21	70%
Eastport/Harbour House	46	46	✓	100%	137	111	81%
Robinwood	23	23	✓	100%	81	66	81%
HACA Managed Total	76	76	✓	100%	248	198	79%

Routine Work Orders Generated

Property	Month	Year to Date
	WO Count	WO Count
Bloomsbury Square	19	42
Eastport/Harbour House	40	138
Robinwood	61	129
HACA Managed Total	120	309

Occupancy Rate (now reflective of employing a consolidated waiting list process)

Property	Occupied	Vacant	Grand Total	Occupancy Rate
557	502	55	557	90%

Move-ins/Move-Outs/Transfers

Property	Move-Ins	Move – Outs	Transfers
Bloomsbury Square	0	0	0
Eastport/Harbour House	9	3	2
Robinwood	0	2	0
HACA Managed Total	9	5	2

Occupancy Rate - Agency Wide		
March	April	May
86%	86%	96%

Current Waiting List

Public Housing	Total Number
Total	1,419
Housing Choice Voucher Program	Total Number
Total	535
Grand Total	1,954

Operations Report – Housing Choice Voucher Program

Tenant-Based Voucher Program

	MARCH 2025	APRIL 2025	MAY 2025
Allocated*	770	770	770
Under Contract	761	765	762
Vouchers Issued	0-Emergency Vouchers	0-Emergency Voucher	0-Emergency Voucher
Termination of Assistance	2	1	5
Portability Port Out	1	3	3
Portability Port In	0	0	0
Recertifications	36	37	49
Interims	34	26	37-Completed

*Reflects the regular vouchers plus VASH vouchers

Homeownership Program

	MARCH 2025	APRIL 2025	MAY 2025
Participants	1	1	1

Veterans Affairs Supportive Housing Program (VASH)

	MARCH 2025	APRIL 2025	MAY 2025
Allocated	5	5	5
Under Lease	3	4	4
Vacant	2	1	1

PIC Score

	MARCH 2025	APRIL 2025	MAY 2025
PIC	82.9%	85.6%	82.6%

Additional Highlights

- Number of Re-exams processed: 104
- Number of Landlord checks (HAP) processed: 762
- Landlord Checks (HAP) Issued Total: \$943,316
- Number of Unit Transfers processed: 0
- Number of New move-ins processed: 6
- Number of RAD PBV HAP: \$140,452

Development Report

Redevelopment In Process

Community	Developer	Estimated Financial Closing & Construction Start	Estimated Construction Completion & Lease Up Start	Units
Morris H. Blum	The Community Builders	Summer 2023	Summer 2025	154
Harbour House/Eastport	TBD	2026/2027	2029/2030	357
Robinwood	CHP	2026	2028	150
Bloomsbury	CHP	2025	N/A – no relocation	51

- **Morris H. Blum**

- TCB, HousingtoHome and HACA teams worked on the first two phases of relocation of tenants and are now collaborating with the tenants on the third phase.
- Financial closing occurred on August 16, 2023.
- TCB gave Notice to Proceed to the contractor, Harkins Builders.
- The rehabilitation will be in four phases. The first three phases involving the 7th, 8th, 6th, 5th, 3rd, and 4th floors are complete and the tenants have been moved back to the rehabilitated units.
- Harkins has set up its operation on-site and has installed man and equipment hoist.
- Construction will take about 22 months. The rehabilitation of the units should be completed in Summer 2025. Some work unrelated to the units may not be completed until Fall 2025. So far, the construction is about 89% complete. The work on Phase 4 (2nd Floor) is expected to be completed by July 2025. Both the elevators are refurbished, except for the floor, and are operational.

Capital and Redevelopment Projects

- **City of Annapolis**

- CNI Planning process.
The teams have completed Phase 1 - Assessment of the Eastport Terrace-Harbour House: Assessment has included conducting resident surveys; reviewing existing plans; demographic and other data collection; stakeholder interviews; inventorying of open spaces, transportation, service providers, businesses, housing, etc.; real estate market studies; Maryland Historical Trust review; and Phase 1 Environmental Site Assessment.

- o We had community meetings on April 17th and 18th to discuss the Concept Plan. The transformation plan was submitted to HUD by the end of November 2023. HUD has accepted the plan.
- o City council approved the resolution for the contribution of the Spa Road property to the CNI project by the end of August 2024.

Phase II Redevelopment - Robinwood, Eastport, Harbour House, Bloomsbury Square

- o An RFQ for developers was advertised for Robinwood, Bloomsbury Square and Harbour House/Eastport Terrace.
- o HUD-CHAPs were approved for Bloomsbury Square and Robinwood, which authorizes us to begin the redevelopment process.
- o HACA received five proposals from the developers by the deadline of May 4, 2023.
- o HACA staff along with EJP Consulting reviewed the proposals and asked one of the developers to make their presentation, on Harbour House/Eastport Terrace on July 31st. However, the developer withdrew their proposal. A new RFQ for Harbour House/Eastport Terrace was issued in August 2024. The pre-bid conference was held on September 17, 2024, and the tour of the sites was conducted on October 7, 2024. Three proposals were received by the due date of November 14, 2024. The selection committee selected Genesis Companies and Monadnock Development, based in NY, as the developer for the site. A meeting with the developer and the city staff was held on April 29th with a follow-up meeting in the first week of May. The developer is currently working on the Phase I plan and will share the plan with HACA staff in the coming weeks. HACA has engaged its outside counsel to draft the MOU which is expected to be presented to HACA's Board for their approval during the July/August meeting.
- o HACA had asked two developers to make a presentation on Robinwood and Bloomsbury in September 2023. However, one of the developers withdrew their proposal. The other developer, CHP, made their presentation in September. HACA staff recommended to the Board that CHP be approved as the developer for Robinwood and Bloomsbury. The Board approved the recommendation during their September 2023 meeting. The MOUs, between HACA and CHP, have been executed. HACA arranged an introductory meeting with CHP, and Bloomsbury and Robinwood communities in April 2024. HACA and CHP also met with the Anne Arundel County school system for their participation in terms of allowing access to a new road within the Robinwood project. HACA and CHP scheduled a meeting with the Robinwood community on March 19, 2025, to get their input on the initial site plan for the property. CHP submitted the 9% tax credit application for Robinwood in May 2025 and is expected to submit the 4% tax credit application in July/August 2025. The 4% tax credit application for Bloomsbury is expected to be submitted in June/July 2025. The follow-up meetings with the Robinwood and Bloomsbury communities are scheduled for mid-July 2025.
- o HACA organized a meeting with CHP and the State on identifying potential funding sources for both Robinwood and Bloomsbury Square and will reschedule follow-up meetings with the stakeholders.

Resident Services Board Report

May 2025

ROSS Program Update

In May 2025, seven new ROSS residents enrolled in the OIC Pre-GED Program, bringing the total number of active participants to 19 across all HACA communities. This self-paced, one-year program is designed to support adult learners in building the foundational skills necessary to successfully complete the GED exam and transition into higher education or the workforce.

The Pre-GED curriculum emphasizes core academic subjects such as reading, writing, math, science, and social studies, while also incorporating computer literacy, job readiness training, and access to one-on-one online tutoring. This holistic approach ensures that residents not only prepare for the exam but also gain essential life and workforce skills that increase long-term self-sufficiency.

Two residents successfully completed the program in late 2024 and are scheduled to take their GED exam in August 2025 at Anne Arundel Community College. These individuals have shown consistent dedication and growth, and their achievements are a testament to the power of second-chance education. Resident Services staff continue to provide encouragement and support throughout the exam preparation process.

Additionally, the program has partnered with local workforce development agencies to assist residents with resume writing, interview skills, and job placement once they complete the GED. Residents who pass the GED will also receive guidance on enrolling in vocational training or community college programs.

By investing in educational pathways like the OIC Pre-GED Program, Resident Services is helping to break generational cycles of poverty, increase employability, and empower residents to set and achieve long-term personal and professional goals.

Workforce & Community Engagement Initiatives

HACA is continuing its partnership with the Maryland Department of Labor to bring a large-scale community job and resource event to the Eastport community later this summer. The event will feature employers onsite ready to conduct interviews and hire qualified candidates on the spot. In addition, an expungement clinic will be available to assist eligible individuals in clearing certain items from their criminal records, removing a major barrier to employment and housing. A similar event at Robinwood in March was very successful.

Upcoming Community Days

Resident Services is planning two major outdoor community engagement events:

- **Bloomsbury Square Community Day** – August 2025
- **Eastport Community Day** – September 2025

These events will include family-friendly activities, music, food, and access to valuable resources including health screenings, voter registration, and information about workforce and education programs. Local partners, service providers, and resident leaders will be involved in creating meaningful experiences that foster community pride, connection, and well-being.

Family Self Sufficiency and Homeownership

FSS and Homeownership	
Case Management Contacts	36
FSS Contracts	30
FSS Escrow Accounts	31
Contracts in HCVP	22
Contracts in PH	14
Release of Escrow Credits	1
Contracts Terminated	0
New Contracts Completed	2
Resources and Referrals	41

Case Management

Case Management Services	
State Health Insurance Assistance Program, BBS	4
Free Cell Phone Event -Robinwood	24
Financial Literacy- Robinwood	9
Jewelry Making Event – Robinwood	8
CM Hosted Educational Presentations and Events for residents to enhance and fulfill their psycho-social, psychological, medical, and recreational needs.	
Rental assistance payments, BGE utility bill assistance, medical and mental health care events, financial literacy events for financial	

support, furnishing referrals for Hope for All, transportation, employment, Re-Certification Assistance, assistance for food referrals, Rep Payee assistance, financial and credit building events Family counseling services and information, free cell phone events, Events with DSS, Dept of Health and Department of Aging, Solie vaccine clinic events, Emergency Management events, Partners in Care events, Red Cross educational events, AAWDC educational events, AA Veteran educational events, DHS short term shelter events and emergency low barrier housing related events.	
Total: Contacts - Calls/Activities	34

Resident Opportunity and Self Sufficiency

ROSS	
ROSS case management assistance – Energy assistance, SNAP, credit reports, home visits, creating email accounts, employment search, mental health, Substance use, GED, Financial literacy and wellness related assistance.	143
Cell phone giveaway Event	7
Digital Literacy Event	8
Crisis Response Presentation	4
ROSS case management home visits	24
Referrals for Community Resources	16
Newly Enrolled ROSS Participants-EP	1

Annapolis Gardens

Number of Units: 150
Property Type: Family
Project Start: 2009
Project Status: Stabilized
Subsidy Type: Public Housing/Tax Credit (75), Tax Credit only (75)



Tax Credit Compliance End: 2025

Report for Period Ending: May 31, 2025

OCCUPANCY

Unit Type	Total Units	Occupied	Vacant	Total % Occupancy
LIHTC	150	148	2	99%

1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms
10	62	59	9	10

Current Month: **99%**

Year to date Average: **96%**

NARRATIVES

Financial:

The income for the month was over the budgeted amount by 15.18% due to higher than anticipated occupancy rate. The total actual expenses were in line with budgeted expenses.

Management:

The property is managed by Winn Companies, an independent company not affiliated with the Developer. The management staff did not report any staff turnover during the period and has been timely with reporting to HACA.

Physical:

There were no other extraordinary repairs to report.

Resident Services:

There were no Resident Services to report.

Other

There are no other issues to report.

Receivables/ Payables:

The resident accounts receivable is \$34,549. The projects accounts payables are \$6,403 with \$0 aging more than 90 days.

Reserves:

The project has four reserve accounts and two escrows that are funded as required with no inappropriate use of funds.

PARTNERS

General Partner/ Managing Member: Annapolis Community Development Partners, LLC

HACA Ownership %: 49%

Developer: Landex

Management Company: Winn

DEBT SUMMARY

Lien Position	Payment Type	Lender	Principal as of: 08/31/2024	Interest Rate	Maturity Date
1	Hard debt	Enterprise Mortgage Investments, Inc.	\$ 1,784,869	7.01%	10/3/2026
2	Cash flow	DHCD	\$ 1,547,367	4%	5/1/2051
3	Cash flow	ACDS	\$ 204,564	2%	5/29/2051
4	Cash flow	HACA	\$ 500,000	4.38%	6/1/2051
5	Cash flow	HACA	\$ 92,118	0%	6/1/2051

Obery Court I

Number of Units: 50
Property Type: Family
Project Start: 2010
Project Status: Stabilized
Subsidy Type: Tax Credit (40), Tax Credit only (10)



Tax Credit Compliance End: 2025

Report for Period Ending: May 31, 2025

OCCUPANCY

Unit Type	Total Units	Occupied	Vacant	Total % Occupancy
1 bedroom	10	10	0	100%
2 bedrooms	22	21	1	95%
3 bedrooms	16	15	1	94%
4 bedrooms	2	2	0	100%

Current Month: **96%**

Year to date Average: **97%**

NARRATIVES

Financial:

The income for the month was 3.9% over budget due to higher occupancy rate. The total controllable expenses were 5.33% under budget. Those expenses were as result of lower than expected maintenance expenses.

Management:

The property is managed by Pennrose, an affiliate of the Developer.

Physical:

There were no significant items noted.

Resident Services:

There were no Resident Services to report.

Other

There are no other issues to report.

Receivables/ Payables:

The resident accounts receivable is \$25,197. The project accounts payables are \$14,769 with \$5,229 aged more than 90 days.

Reserves:

The project has four reserve accounts and three escrows that are funded as required with no inappropriate use of funds.

PARTNERS

General Partner/ Managing Member: Obery Court GP, LLC

HACA Ownership %: 51% *
Pennrose entity remains managing member despite ownership percentage

Developer: Pennrose

Management Company: Pennrose

DEBT SUMMARY

Lien Position	Payment Type	Lender	Principal as of: 09/30/2024	Interest Rate	Maturity Date
1	Cash flow	DHCD	\$ 1,906,604	4%	6/1/2050
2	Cash flow	DHCD	\$ 2,307,547	4%	6/1/2050
3	Cash flow	ACDS	\$ 1,000,000	2%	3/6/2051

Obery Court 2

Number of Units: 63
Property Type: Family
Project Start: 2011
Project Status: Stabilized
Subsidy Type: PBV/Tax Credit (53), Tax Credit only (10)



Tax Credit Compliance End: 2027

Report for Period Ending: May 31, 2025

OCCUPANCY

Unit Type	Total Units	Occupied	Vacant	Total % Occupancy
1 bedroom	27	27	0	100%
2 bedrooms	17	17	0	100%
3 bedrooms	16	16	0	100%
4 bedrooms	3	3	0	100%

Current Month: **100%**

Year to date Average: **96%**

NARRATIVES

Financial:

The rental income for the month was 22.9% over budget due to increased subsidy. The total controllable expenses were 5.7% over budget due to higher than expected utility expenses.

Management:

The property is managed by Pennrose, an affiliate of the Developer. The management staff did not report any staff turnover during the period and has been timely with reporting to HACA.

Physical:

There were no other extraordinary repairs to report.

Resident Services:

There were no Resident Services to report.

Other

There are no other issues to report.

Receivables/ Payables:

The resident accounts receivable amount is \$50,717 and accounts payable is \$17,464 with \$1,059 aged more than 90 days.

Reserves:

The project has four reserve accounts and two escrows that are funded as required with no inappropriate use of funds.

PARTNERS

General Partner/ Managing Member: Obery Court Phase II GP, LLC

HACA Ownership %: 49%

Developer: Pennrose

Management Company: Pennrose

DEBT SUMMARY

Lien Position	Payment Type	Lender	Principal as of: 9/30/2024	Interest Rate	Maturity Date
1	Hard debt	Severn Savings Bank FSB	\$ 1,440,242	6.625%	2029
2	Cash flow	DHCD	\$ 3,009,405	4%	4/1/2054

Obery Court 3

Number of Units: 61
Property Type: Family
Project Start: 2016
Project Status: Stabilized
Subsidy Type: PBV/Tax Credit (40), Tax Credit only (21)



Tax Credit Compliance End: 2031

Report for Period Ending: May 31, 2025

OCCUPANCY

Unit Type	Total Units	Occupied	Vacant	Total % Occupancy
1 bedroom	18	18	0	100%
2 bedrooms	24	20	4	83%
3 bedrooms	14	14	0	100%
4 bedrooms	5	5	0	100%

Current Month: **93%**

Year to date Average: **93%**

NARRATIVES

Financial:

The income for the month was 1.7% over budget due to higher than anticipated subsidy. The total controllable expenses were 7.9% over budget due to higher than anticipated utility expenses.

Management:

The property is managed by Pennrose, an affiliate of the Developer.

Physical:

The property did not report any physical issues.

Resident Services:

There were no Resident Services to report.

Other

There are no other issues to report.

Receivables/ Payables:

The resident accounts receivable is \$17,255 and the projects accounts payables are \$18,403 with \$2,748 aged more than 90 days.

Reserves:

The project has three reserve accounts and two escrows that are funded as required with no inappropriate use of funds.

PARTNERS

General Partner/ Managing Member: Obery Court Phase III GP, LLC

HACA Ownership %: 11%

Developer: Pennrose

Management Company: Pennrose

DEBT SUMMARY

Lien Position	Payment Type	Lender	Principal as of: 9/30/2024	Interest Rate	Maturity Date
1	Hard debt	Capital One, N.A.	\$ 1,243,840	5.75%	1/1/2032
2	Cash flow	DHCD	\$ 1,643,997	2%	9/1/2056
3	Cash flow	DHCD	\$ 1,225,000	2%	9/1/2056
4	Cash flow	HACA	\$ 608,396	0%	9/17/2057

Wilbourn Estates

Number of Units: 78
Property Type: Family
Project Start: 2022
Subsidy Type: Tax Credit



Report for Period Ending: May 31, 2025

OCCUPANCY

Unit Type	Total Units	Occupied	Vacant	Total % Occupancy
1 bedroom	26	26	0	100%
2 bedrooms	26	25	1	96%
3 bedrooms	26	26	0	100%

Current Month: **99%**

Year to date Average: **94%**

NARRATIVES

Financial:

The rental income for the month was 19.8 % over budget due to increased subsidy. The total controllable expenses were in line with budgeted amounts.

Management:

The property is managed by Pennrose, an affiliate of the Developer.

Physical:

There are no physical issues to report.

Resident Services:

There were no Resident Services to report.

Other

There are no other issues to report.

Receivables/ Payables:

The resident accounts receivable is \$36,396. The project accounts payables are \$9,277 with \$669 aged more than 90 days.

PARTNERS

General Partner/ Managing Member: Newtowne 20, LLC

Developer: Pennrose

Management Company: Pennrose

DEBT SUMMARY

Account	Lender	Amount	Interest Rate	Maturity Date
1	Orix Real Estate Capital Principal – Hard Debt	\$ 9,164,174	3.82%	7/1/2041
2	CDA Rental Housing Works Fund	\$ 2,471,632	0	12/31/2062
3	CDA Housing Trust Fund	\$ 971,632	0	12/31/2062
4	CDA Rental Housing Fund	\$1,328,949	0	12/31/2062
5	ACDS Home Investment Partnership Program	\$732,932	0	12/31/2062
6	HACA	\$929,473	0	12/31/2062
7	HACA	\$1,700,795	1.31%	12/31/2062

Resolutions

Resolution No. FIN 062425-01	Monetary Increase Full-Service Work
Resolution No. FIN 062425-02	FY2026 Budget Approval Resolution
Resolution No. ADMIN 062425-03	Grievance Hearing Panel
Resolution No. FIN 062425-04	Bloomsbury Square Brick Hazard
Resolution No. FIN 062425-05	MOU Extension (Pending)
Resolution No. ADMIN 062525-06	Emergency Action Plan (Pending)

Resolution
of
The Housing Authority of the City of Annapolis
Board of Commissioners

A Resolution for Monetary Increase Full-Service Work Order Request for Occupied and Vacant Units at Bloomsbury Square

Resolution No. FIN 062425-01

WHEREAS, the Housing Authority of the City of Annapolis (HACA) contracted a company offering services for full-service work orders for occupied and vacant units at Bloomsbury Square to assist with unit repairs related to licensure requirements and to maintain occupancy.

WHEREAS, Vigil Contracting, Inc, one of HACA's current unit turn contractors, and based on their excellent services, was contracted to do this additional task: and

WHEREAS, HACA initially requested approval to increase the current contract amount with Vigil Contracting, Inc by adding an additional \$92,500.00 to cover full-service work order for occupied and vacant units. The requested amount has been insufficient to cover outstanding invoices due to the volume of work orders required; and

WHEREAS, the Executive Director seeks Board approval to increase the current contract with Vigil Contracting Inc, by an amount not exceeding \$125,000.00 for all outstanding work order invoices, and anticipated work orders till July 31st 2025; and

WHEREAS, the costs will be funded through a combination of HACA's Capital Funds, City and State grant funds; and

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners, that the Executive Director is authorized to increase the contract amount of Vigil Contracting, Inc.

RESOLVED this 24th day of June 2025

Resolution No. FIN 062425-01

The undersigned Commissioners of the Housing Authority of the City of Annapolis sign below to indicate their affirmative or disapproval vote or that they are abstaining from voting.

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Craig Coates, Chairman			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Patrick Sheridan, Vice-Chairman			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Arthur Edwards, Jr., Treasurer			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Jacquelyn V. Wells, Secretary			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Kimberly Cornett, Commissioner			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Henrietta Webb-Herbert, Commissioner			

**Resolution
of
The Housing Authority of the City of Annapolis
Board of Commissioners**

A Resolution Approving the HACA Fiscal Year 2026 Budget

Resolution No. FIN 062425-02

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires HACA's Board of Commissioners to review and approve the agency's annual operating budget by resolution prior to the start of each fiscal year; and

WHEREAS, HACA estimates to receive approximately \$18.05 million in revenues primarily from HUD, the State of Maryland, and public housing tenants; and

WHEREAS, HACA estimates to spend approximately \$20.76 million on administration, resident services, public housing maintenance, Housing Assistance Payments, insurance, and other operating activities; and

WHEREAS, HACA anticipates an overall operating surplus of \$340,792, excluding a projected Housing Assistance Payments (HAP) shortfall of \$3.05 million in the Housing Choice Voucher Program due to HUD offsets and funding constraints; and

WHEREAS, the Housing Choice Voucher Program is projected to enter shortfall status as defined by HUD due to the gap between HAP obligations and available budget authority, requiring strategic planning and monitoring to mitigate impacts to program participants;

NOW THEREFORE BE IT RESOLVED, that the Board of Commissioners does hereby approve the proposed budget for HACA operations for the fiscal year July 1, 2025 through June 30, 2026.

RESOLVED this 24th day of June 2025.

The undersigned Commissioners of the Housing Authority of the City of Annapolis sign to indicate their affirmative or disapproval vote or that they are abstaining from voting.

_____	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Craig Coates, Chairman			

_____	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Patrick Sheridan, Vice-Chairman			

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Arthur Edwards, Jr., Treasurer			

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Jacquelyn V. Wells, Secretary			

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Kimberly Cornett, Commissioner			

_____	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Henrietta Webb-Herbert, Commissioner			

**Resolution
Of
The Housing Authority of the City of Annapolis
Board of Commissioners
A Resolution Approving new Grievance Hearing Panel Members
Resolution No. ADMIN 062425-03**

WHEREAS, the Housing Authority of the City of Annapolis (HACA) is committed to ensuring residents' rights to due process through the establishment of a fair and impartial grievance procedure; and

WHEREAS, the Grievance Hearing Panel is composed of five impartial individuals appointed by the Board of Commissioners to hear resident grievances and render decisions: accordingly, and

WHEREAS, HACA policy requires that at least one member of the Hearing Panel be a recommendation of the Resident Advisory Board (RAB), and at least one member be a representative of the Anne Arundel Conflict Resolution Center; and

WHEREAS, the following individuals have been recommended and meet the criteria for serving as members of the Grievance Hearing Panel:

- **Debbie Odum**, Resident of Annapolis Gardens (Resident Representative – RAB Recommended)
- **Erin Lee**, Social Worker, City of Annapolis
- **Samelia Parker**, Resident of Obery Court
- **Lisa Deveau**, -Deputy Director Anne Arundel Conflict Resolution Center
- **Sheila Clark-Coleman**,

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Annapolis that the above-named individuals are hereby appointed to serve as members of the Grievance Hearing Panel, effective immediately and until such time as new appointments are made or terms expire in accordance with HACA policy.

RESOLVED this 24th day of June 2025

The undersigned Commissioners of the Housing Authority of the City of Annapolis sign below to indicate their affirmative or disapproval vote or that they are abstaining from voting.

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Craig Coates, Chairman			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Patrick Sheridan, Vice-Chairman			

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Jacquelyn V. Wells, Secretary			

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Kimberly Cornett, Commissioner			

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Henrietta Webb-Herbert, Commissioner			

**Resolution
of
The Housing Authority of the City of Annapolis
Board of Commissioners**

A Resolution Bloomsbury Square Brick Tripping Hazard

Resolution No. 062425-04

WHEREAS, on Tuesday June 24, 2025 Bloomsbury Square needs bricks replaced in various areas to prevent tripping hazards and/or fines associated with this violation.

WHEREAS, HACA conducted an inspection of the property it was confirmed by Vigil that we needed to cut, re-level areas, and replace the existing bricks.

WHEREAS, after reviewing the estimate, this price is in line of what we were anticipating, based on the average price for similar work along with historical data; and

WHEREAS, the Executive Director seeks Board approval of this repair needed in various areas at the Bloomsbury Square community.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners, that the Executive Director is hereby authorized to proceed with making the necessary repairs.

Be it Further Resolved that the costs of this repair is \$125,000.00.

RESOLVED this 24th day of June 2025

The undersigned Commissioners of the Housing Authority of the City of Annapolis sign below to indicate their affirmative or disapproval vote or that they are abstaining from voting.

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Craig Coates, Chairman			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Patrick Sheridan, Vice-Chairman			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Arthur Edwards, Jr., Treasurer			

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Jacquelyn V. Wells, Secretary			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Kimberly Cornett, Commissioner			

<hr/>	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	<input type="checkbox"/> Abstain
Henrietta Webb-Herbert, Commissioner			

The HACA Board of Commissioners Instructions on Public Comment

The Board of Commissioners of HACA welcomes public comment. For the purposes of fairness to all, all speakers must sign in and all speakers will be held to 3 minutes for comments.

It should be noted that the Board of Commissioners will not respond to individual concerns due to issues of privacy. If an individual wishes to make the Board aware of a concern or grievance, please indicate that you have already talked with your Property Management Office and requested a grievance hearing.

Individuals that do not follow these guidelines or are deemed to be disruptive by the Chairperson will be asked to leave.



June 18th, 2025

Ms. Melissa Maddox-Evans

Executive Director/CEO

Housing Authority of the City of Annapolis

Ms. Maddox,

Vigil Contracting, Inc. is pleased to present this proposal for the Brick Repair at Bloomsbury Square in Annapolis. This proposal outlines what we believe will sufficiently cover the property's needs for the repair of the tripping hazards around the property.

We estimate this work at **\$125,000**. After walking the property, Vigil identified:

- **7 major repairs** requiring approximately one week each,
- **1 extensive repair** requiring up to 10 days, and heavy machinery
- **5 minor fixes** estimated at 2–3 days each.

This estimate includes all necessary materials and labor.

We look forward to the opportunity to complete this work and enhance the quality of living for the tenants of the Housing Authority of the City of Annapolis.

Sincerely,

Alec Vigil

Project Manager

Vigil Contracting Inc.

avigil@vigilbusiness.com

443-822-4016

A handwritten signature in blue ink that reads 'Alec Vigil'.

PROPOSED DATE – PENDING BOARD APPROVAL

2026 ANNUAL OPERATING BUDGET

THE HOUSING AUTHORITY OF THE CITY OF
ANNAPOLIS, MARYLAND

MISSION STATEMENT: HACA PROVIDES QUALITY, ATTAINABLE HOUSING, IN SAFE, ATTRACTIVE COMMUNITIES, FOR FAMILIES AND INDIVIDUALS, THE ELDERLY, AND PERSONS WITH DISABILITIES BASED ON NEED AND INCOME.



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SECTION I

INTRODUCTION TO THE BUDGET FOR 2026



2026 ANNUAL OPERATING BUDGET

June 13, 2025

To the Chairman and the Board of Commissioners,

I am pleased to present the 2026 preliminary budget proposal for the Housing Authority of the City of Annapolis (the Authority). This budget serves as a financial and strategic roadmap for the coming year and reflects our continued commitment to operational Excellence, fiscal responsibility, and service to the residents of Annapolis.

This document provides the Board, Staff and other Stakeholders with a comprehensive overview of the Authority's financial plan, detailing anticipated revenues and expenditures across all major program areas. It outlines how our core functions are funded, the assumptions that shape our budget, and the strategic priorities that guide our decisions.

For FY 2026, the Authority remains focused on building internal capacity, investing in staff development, enhancing service delivery, and strengthening financial management. As we continue to modernize operations and pursue redevelopment opportunities, we are committed to aligning our resources with long-term strategic goals that improve housing stability, community safety, and quality of life for our residents.

We appreciate the Board's guidance and support, and we look forward to discussing this budget in more detail. Please do not hesitate to reach out with any questions or requests for clarification.

Respectfully submitted,

Melissa Maddox-Evans Executive
Director/Chief Executive Officer

2026 OPERATING INCOME (LOSS)



Public Housing
\$227,842

Central Office Cost Center
\$0

HCVP Administration
\$82,465





BOARD OF COMMISSIONERS

The Housing Authority of the City of Annapolis is governed by a seven-member Board of Commissioners. The Board is comprised of active public servants within the Annapolis community who are appointed by the Mayor. These concerned and dedicated citizens serve without pay. Residents of subsidized housing also have the opportunity to serve as members of the Board. Each Commissioner is appointed for a five-year term.

Bishop Craig Coates, Chairman

Patrick Sheridan, Vice-Chairman

Jacquelyn V. Wells, Secretary

Arthur W. Edwards Jr., Treasurer

Kimberlee Cornett, Commissioner

Henrietta Webb-Herbert, Commissioner

The Board of Commissioners ensure that the Authority operates within the State statutes and the programs are run according to HUD regulations. Through the approval and adoption of resolutions, the Board authorizes the Executive Director/Chief Executive Officer and Senior Staff to implement policies and procedures that define business activities.



ORGANIZATIONAL STRUCTURE

The organizational structure of the Housing Authority of the City of Annapolis remains a matrix structure, where programmatic and functional responsibilities are balanced to promote effective operations. The Board of Commissioners appoints the Executive Director/Chief Executive Officer to administer the affairs of the Authority.

2026 ANNUAL OPERATING BUDGET

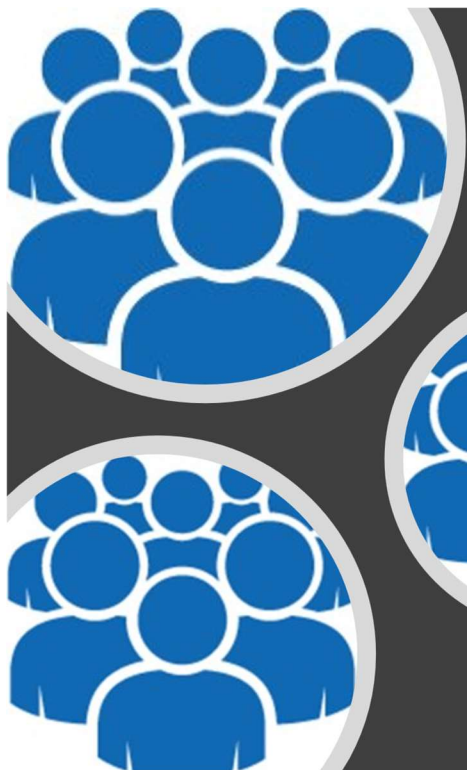


For Fiscal Year 2026, the total proposed staffing for the Authority has increased to 36 positions, up from 33 in FY2025. This staffing level reflects the continued commitment to support operational efficiency and meet strategic objectives. Although the organizational structure has not changed, the added positions are designed to support the agency's modernization efforts, enhance resident services, and strengthen internal controls. A continued emphasis on quality service delivery and staff development remains central to the Authority's management philosophy.

For budgeting and operational purposes, the staff is allocated to specific cost centers as follows:

Property Management – Public Housing
Housing Choice Voucher Program
Central Office Cost Center
Other Grant Funded Programs

In 2026, the budget proposes a total of 5% Cost-of-Living Adjustment and merit increases.



TOTAL POSITIONS : 36



SECTION II

THE AUTHORITY IN 2026



PROFILE OF THE AUTHORITY

The Housing Authority of the City of Annapolis (the Authority) is a public body, corporate and politic, that provides essential services to the Annapolis community. Established in 1940 under state law and the National Housing Act of 1937, the Authority exists to offer safe, decent, and sanitary housing for low-income families in accordance with U.S. Department of Housing and Urban Development (HUD) regulations.

While the Authority maintains collaborative relationships with the City of Annapolis, it operates independently. The City is not financially accountable for the Authority's operations, does not fund its deficits or benefit from its surpluses, and is not liable for its debts.

Currently, the Authority owns and manages 554 public housing units across four developments within the City of Annapolis. It is authorized to administer 770 Housing Choice Vouchers (HCV), which includes 5 HUD-Veterans Affairs Supportive Housing (VASH) vouchers. In FY2026, the Authority will also begin administering 4 additional vouchers funded through the newly acquired State Voucher Program.

The Authority employs an asset management business model as mandated by HUD, managing its operations at the project or program level. Funding, budgeting, accounting, and performance assessment are aligned with this structure.

The Authority's core programmatic areas for FY2026 include Public Housing, the Housing Choice Voucher Program (including State Vouchers), and the Central Office Cost Center.



STRATEGIC PLAN

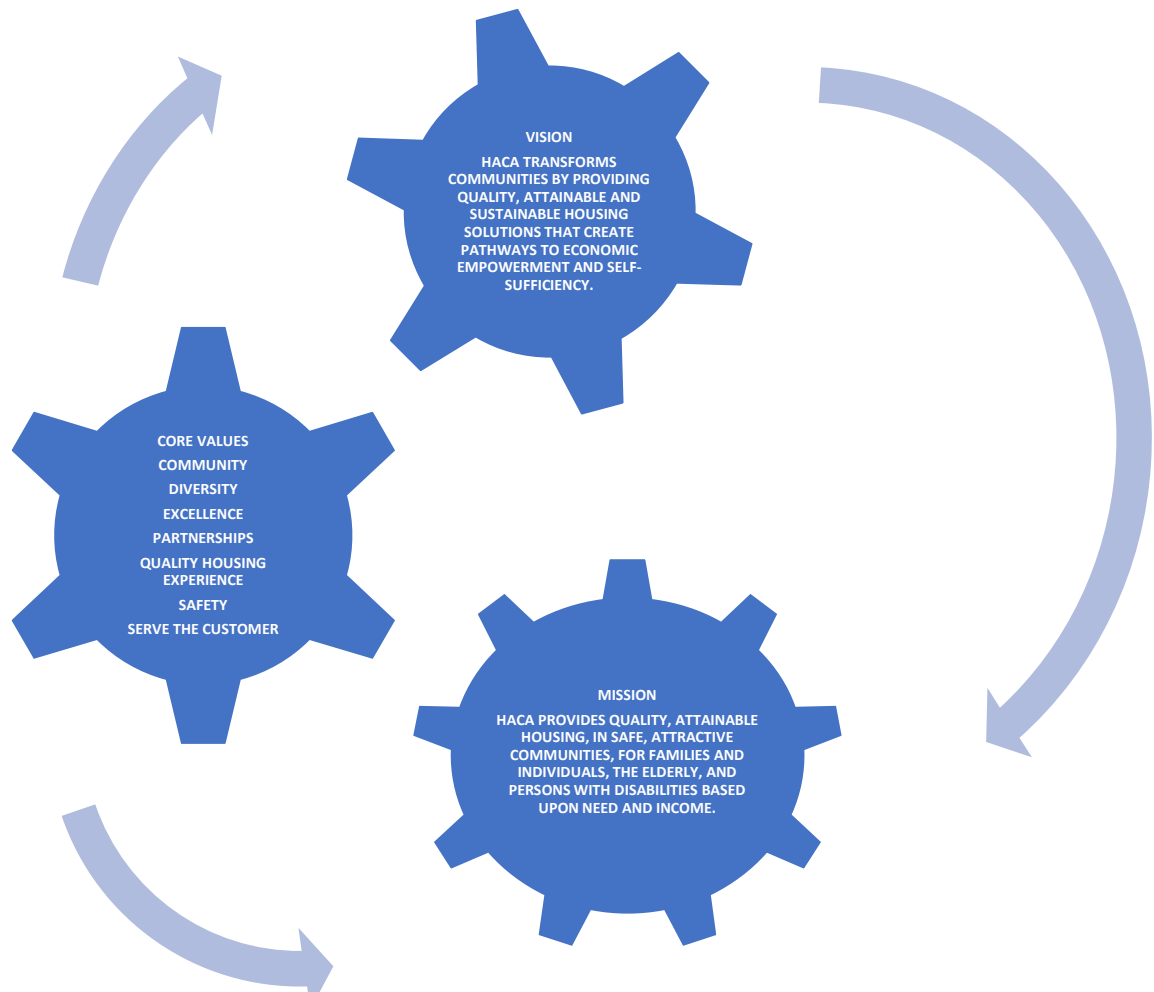
The Strategic Plan of the Authority was developed to set goals and objectives for the Authority for the next five (5) years. The main focus was to create a framework that more closely mirrored the long term plans of the Agency, the community, and most importantly how HACA can better serve its clients.

The Strategic Plan establishes a management control system that consists of both a structure and a process to guide departmental efforts in attaining the mission of the organization.

The Chief Executive Officer in collaboration with the senior management team defined goals that are aligned with the vision of transforming communities, increasing the efficiency and effectiveness of operations and cultivating a culture that is set on progressive change.

The Authority is committed to developing, providing and managing quality affordable housing within the City of Annapolis and endeavors to meet and exceed these goals in the coming years.

The diagram below provides details of the foundation on which the Strategic Plan is built on.





SECTION III

THE BUDGET FOR 2026



FY2026 SUMMARY BUDGET

The primary source of funding for the Housing Authority of the City of Annapolis (HACA) remains the U.S. Department of Housing and Urban Development (HUD), which provides support for the Public Housing (PH), Housing Choice Voucher Program (HCVP), and other core initiatives. For Fiscal Year 2026, HACA projects total operating revenues of \$10,576,602 and total operating expenditures of \$10,235,810, resulting in a projected operating net gain of \$340,792. These figures exclude Housing Assistance Payments (HAP), which are federally restricted and budgeted separately. The strong operating outlook is bolstered by significant investment from state and local partners, which has enhanced occupancy and operational capacity across HACA's portfolio.

HACA has received dedicated financial support from the City of Annapolis, Anne Arundel County, and the State of Maryland. These funds have been strategically allocated to support property licensing, inspection readiness, and accelerated unit turnover. This collaborative investment will directly enable HACA to improve occupancy rates and rent collection across its public housing portfolio. As a result, the Public Housing program is projected to yield a net income of \$227,842 in FY2026—a significant improvement from the \$(439,182) net loss projected in FY2025. This turnaround reflects not only external support but also improved operational discipline and targeted investments in property management infrastructure.

A Housing Choice Voucher (HCV) shortfall occurs when a Public Housing Agency (PHA) is projected to have insufficient funding to cover Housing Assistance Payments (HAP) for current voucher holders. This means that the PHA's budgeted HAP dollars and HUD-held reserves are not enough to meet the necessary HAP outlays for landlords.

For FY2026, HACA is projecting to lease 759 of the 770 authorized vouchers. While this reflects a high utilization rate, the agency is facing a projected HCV shortfall. HAP obligations to landlords are expected to total \$10,524,980, while HUD HAP funding is projected to be only \$7,476,170. Additionally, HUD is applying a \$1,284,611 offset against HACA's HAP reserves, significantly reducing the available funding to cover rental assistance payments. As a result, the Authority will need to closely monitor expenditures and potentially implement contingency plans to avoid disruption to families currently receiving assistance.

On a more positive note, HACA anticipates a surplus on the administrative side of the program. HCV Administrative Fee Income is projected to exceed administrative costs by \$82,465, demonstrating prudent fiscal oversight and process efficiency. Despite the funding constraints, the Authority remains committed to maximizing voucher utilization, sustaining landlord participation, and ensuring program continuity for households in need.

The Central Office Cost Center (COCC) remains a vital administrative hub for the agency, continuing to operate on a balanced budget through fee-based revenue streams. In FY2026, the COCC is further leveraging non-federal revenue from developer fees as well as sale proceeds from the disposition of the Annapolis Gardens property. These supplemental funds provide financial flexibility and help support key administrative, compliance, and resident service functions.


HACA's strategic direction remains focused on sustainability, service delivery, and financial resilience. Goals for FY2026 include achieving an 95% occupancy rate, increasing rent collections above 75%, and building upon

2026 ANNUAL OPERATING BUDGET

• • •

public-private partnerships that advance affordable housing goals throughout Annapolis. This budget reflects a renewed commitment to transforming communities and improving outcomes for residents.

The following tables and charts show the summarized operating revenues and expenses by program.

<div style="display: flex; justify-content: space-between; align-items: center;">  <div> Housing Authority of the City of Annapolis Approved Fiscal Year 2026 Summary Budget </div> </div>							
	HCVP	HCVP Admin	Public Housing	CFP	Resident Services	Central Office Cost Center	Total
Operating Income							
Rental	-	-	1,791,840	-	-	-	1,791,840
HUD & State Grants	7,476,170	858,655	3,340,260	1,640,885	240,898	-	6,080,698
Other	-	-	1,114,350	-	-	1,589,714	2,704,064
Operating Expenses							
Administration	-	776,190	2,334,067	-	-	1,469,640	4,579,897
Housing Assistance	10,524,980	-	-	-	-	-	-
Resident Services	-	-	557,133	-	210,413	-	767,545
Utilities	-	-	832,160	-	-	41,000	873,160
Maintenance Labor	-	-	607,500	-	-	-	607,500
Maintenance Supplies	-	-	201,830	-	-	4,440	206,270
Maintenance	-	-	1,079,179	-	-	69,634	1,148,813
General Expenses	-	-	406,740	-	-	5,000	411,740
Non-Routine & Capital Expenses	-	-	-	1,640,885	-	-	1,640,885
Total Operating Income	-	858,655	6,246,450	1,640,885	240,898	1,589,714	10,576,602
Total Operating Expenses	-	776,190	6,018,609	1,640,885	210,413	1,589,714	10,235,810
Net Operating Income (Loss)	-	82,465	227,842	-	30,486	-	340,792
Total HCV HAP Income	7,476,170						7,476,170
Total HCV HAP Expenses	10,524,980						10,524,980
Net HCV HAP Income (Loss)	(3,048,810)	-	-	-	-	-	(3,048,810)

2026 ANNUAL OPERATING BUDGET

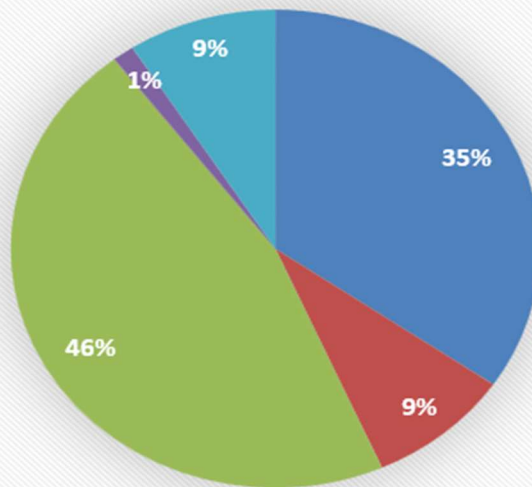
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FY 2026 SUMMARY BUDGET

FY 2026 SUMMARY BUDGET

Fund/Entity	Operating Revenue	% of Total Revenue	Operating Expenses	% of total Expenses	Operating Income/(Loss)
HACA Entities					
Public Housing	\$ 6,246,450	35%	\$ 6,018,609	29%	\$ 227,842
Central Office Cost Conter	\$ 1,589,714	9%	\$ 1,589,714	8%	\$ -
HCVP Administrative Income	\$ 858,655	5%	\$ 776,190	4%	\$ 82,465
HCVP HAP Subsidy	\$ 7,476,170	41%	\$ 10,524,980	51%	\$ (3,048,810)
Resident Services	\$ 240,898	1%	\$ 210,413	1%	\$ 30,486
Capital	\$ 1,640,885	9%	\$ 1,640,885	8%	\$ -
	<u>\$ 18,052,772</u>	<u>100%</u>	<u>\$ 20,760,790</u>	<u>100%</u>	<u>\$ (2,708,018)</u>

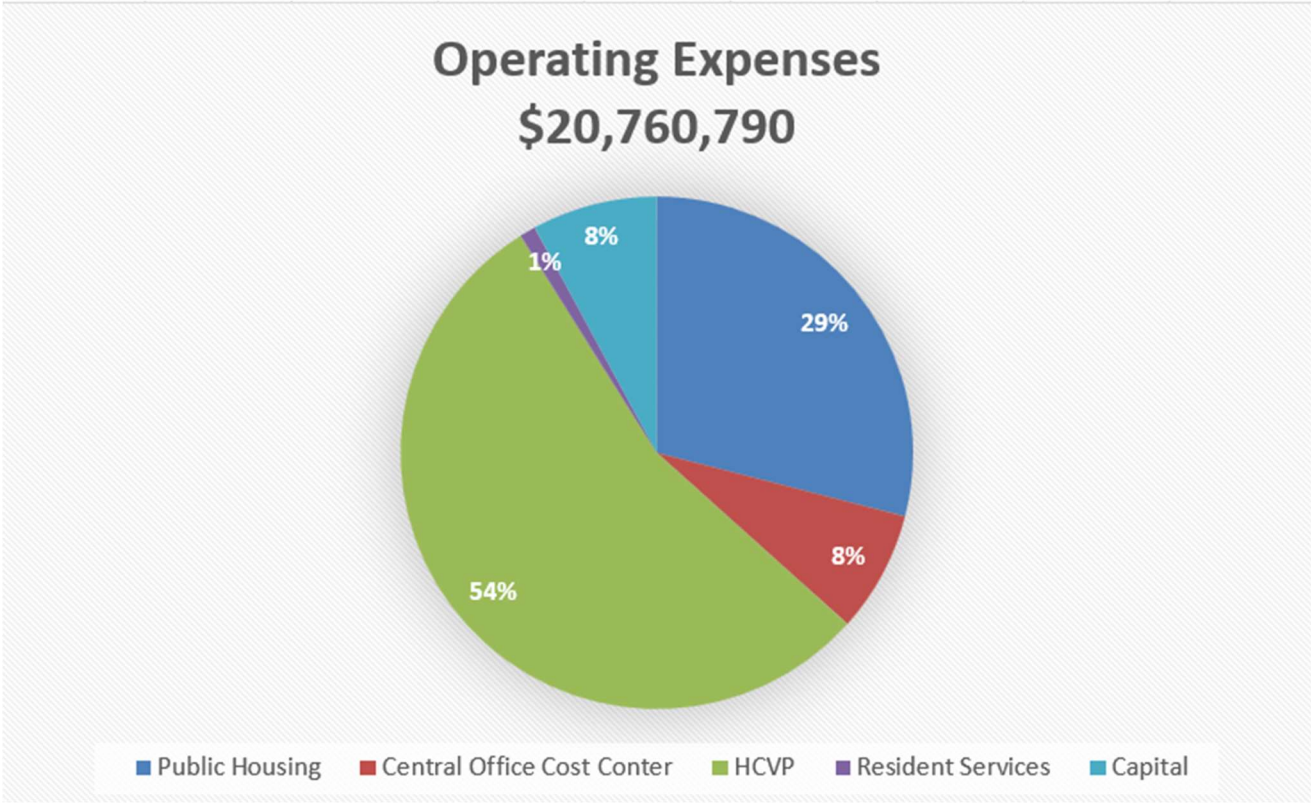
Operating Revenues \$18,052,772



■ Public Housing ■ Central Office Cost Conter ■ HCVP ■ Resident Services ■ Capital



FY 2026 SUMMARY BUDGET





PUBLIC HOUSING PROGRAM SUMMARY

The Authority manages several communities pursuant to HUD's Low Rent Public Housing program. There are:

- 554 Public Housing units within four (4) developments which are owned and managed by the Authority.

For the Public Housing program, HUD determines an allowable amount for the operation of a housing community, factors in the amount the Authority may be able to collect from tenants for rent they pay, and then provides a subsidy to housing authorities to make up that difference.

According to the asset management model mandated by HUD, although funds are fungible between each AMP, each AMP is treated as a separate project for budgeting and accounting purposes. Although we present information and discuss budget changes for the AMPs on a consolidated basis, each AMP's budget stands on its own.

For internal management purposes, and as reflected in this section for presentation of budgets, the Authority has organized operations staff into management teams. Each management team is responsible for their assigned AMPs.

In cases where multiple properties are managed, costs for the management team are allocated. The most common allocation is for salaries and related personnel costs, which are allocated based on the number of bedrooms per community. Depending on the nature of the expense, the allocation may also be done based on the number of units without regard to bedroom size.

On a consolidated basis, budgeted revenues for FY2026 are \$6,246,450—an increase of 3.76% from budgeted FY2025 revenues of \$6,019,956. This revenue increase is directly tied to new partnerships with the City of Annapolis, Anne Arundel County, and the State of Maryland. These grant-funded collaborations have provided the Authority with essential resources to address licensing and inspection readiness, which in turn contributed to increased occupancy and rental revenue.

Budgeted expenses for FY2026 are \$6,018,609—a decrease of 6.82% from the budgeted FY2025 expenses of \$6,459,138. This reduction is largely due to the reallocation of certain contract and maintenance labor costs to the City, County, and State grants. As a result, the Authority has been able to decrease its operating expenditures while maintaining service delivery and improving property conditions.



**PUBLIC HOUSING
FY2026 BUDGET ASSUMPTIONS & PROJECTIONS**

The following information provides additional detail regarding the projections of revenues and expenses for the AMPs.

REVENUES:

1. Total Tenant Revenue includes dwelling rent and other charges to tenant accounts. Rental revenue is budgeted based on average rents charged in 2025.
2. Total Fee Revenue includes Operating Subsidy which is budgeted at 95% of the total approved calculation for 2025. Over the past few years, HUD has funded the Authority at less than 100% of the calculated Operating Subsidy level. Although these amounts have varied slightly (2019: 90.21%, 2020: 93.10%, 2021: 96.3%, 2022: 96%, 2023: 96%, 2024: 92%), the 2026 budget is projected using a conservative approach based on a 95% proration.
3. Total Other Revenue includes non-dwelling rental income and all other income received for the AMP from non-tenants. In FY2026, the Authority will receive \$955,100 in grants from the City of Annapolis, Anne Arundel County, and the State of Maryland. These funds are instrumental in supporting property readiness, licensing compliance, and turnover management. As a direct result, the Authority has increased its projected occupancy rate to 95%.

EXPENSES:

1. Administrative salaries – All administrative salaries are based on actual 2025 rates and include a 5% Cost of Living and Merit Increase to support staff retention and operational excellence.
2. Management Fees are based on projected occupancy levels multiplied by the 2025 HUD-published public housing management fee rate of \$72.06 per unit per month for the first six months and \$72.63 per unit per month for the second half of the fiscal year. The 2026 published rate has not yet been released.
3. Bookkeeping Fees are budgeted at the maximum-allowed rate of \$7.50 per unit per month, multiplied by the projected leasing rate.
4. Asset Management Fees are budgeted for AMPs that show excess cash in the 2024 audited financials. These fees are charged monthly by multiplying the number of ACC units by \$10 per unit, subject to excess cash.

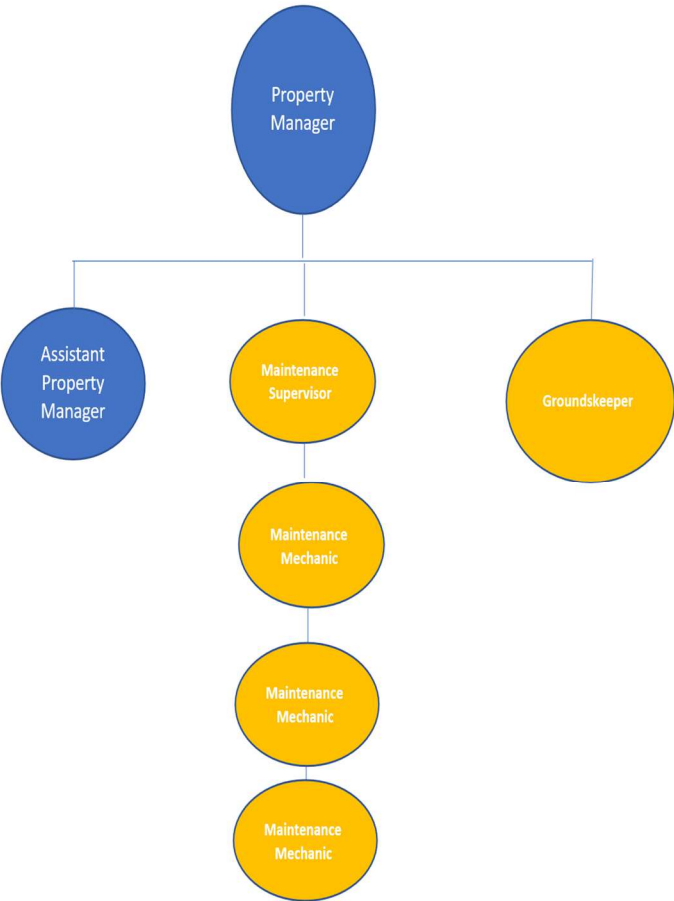


PUBLIC HOUSING
PROPERTY MANAGEMENT TEAM 1

Management Team 1 is responsible for managing **2 properties** with a total of **357 units**

- 1. EastPort | AMP #002 (1953)
This property is made up of 84 residential units and 1 management office/community center.
- 2. Harbour House | AMP #002 (1964)
This property is made up of 273 residential units.

Management Team 1



2026 ANNUAL OPERATING BUDGET

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PUBLIC HOUSING PROPERTY MANAGEMENT TEAM 1 FY 2026 BUDGET – EASTPORT TERRACE

PH – EastPort Terrace
FY 2026 Budget

	FY 2025 Budget Recommended	FY 2026 Budget Recommended	Annual Change	% Annual Change
Operating Income				
Rental	169,783	197,030	\$ 27,247	16.0%
HUD & State Grants	548,116	515,906	(32,210)	-5.9%
Other	82,987	194,434	111,447	134.3%
Total Income	800,886	907,370	106,484	13.3%
Operating Expenses				
Administration	\$ 293,334	\$ 336,741	43,407	14.8%
Housing Assistance	(1,179)	-	1,179	100.0%
Resident Services	75,573	120,428	44,855	59.4%
Utilities	47,371	110,010	62,639	132.2%
Maintenance	265,756	198,650	(67,106)	-25.3%
General Expenses	147,340	61,230	(86,110)	-58.4%
Total Expenses	828,194	827,059	(1,136)	-0.1%
Net Income (Loss)	(27,308)	80,311	107,620	-394.1%

2026 ANNUAL OPERATING BUDGET

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PUBLIC HOUSING PROPERTY MANAGEMENT TEAM 1 FY 2026 BUDGET –HARBOUR HOUSE

PH – Harbour House
FY 2026 Budget

	FY 2025 Budget Recommended	FY 2025 Budget Recommended	Annual Change	% Annual Change
Operating Income				
Rental	\$ 671,633	\$ 869,930	\$ 198,297	29.5%
HUD & State Grants	1,810,792	1,615,061	(195,731)	-10.8%
Other	172,942	570,125	397,183	229.7%
Total Income	2,655,367	3,055,116	399,749	15.1%
Operating Expenses				
Administration	\$ 898,886	\$ 1,068,934	170,048	18.9%
Housing Assistance	176,592	-	(176,592)	100.0%
Resident Services	199,417	310,325	110,908	55.6%
Utilities	546,319	339,630	(206,689)	-37.8%
Maintenance	751,183	1,062,576	311,393	41.5%
General Expenses	559,070	199,000	(360,070)	-64.4%
Total Expenses	3,131,466	2,980,465	(151,001)	-4.8%
Net Income (Loss)	(476,099)	74,650	550,749	-115.7%



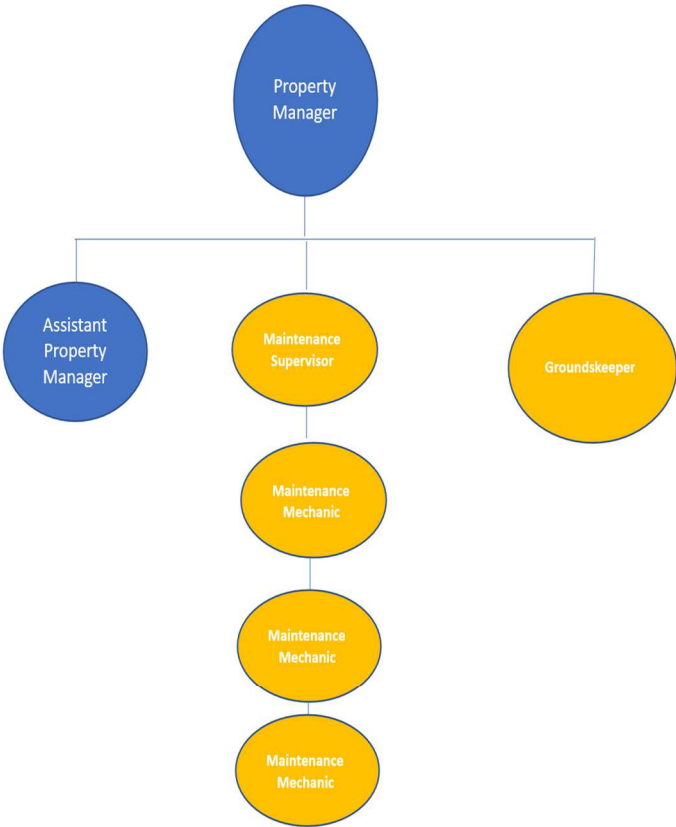
**PUBLIC HOUSING PROPERTY
MANAGEMENT TEAM 2**

Management Team 2 is responsible for managing 2 properties with **201 units**

- 1. Robinwood | AMP #004 (1970)
This property is made up of 150 residential units and 1 management office/community center.
- 2. Bloomsbury Square | AMP #007 (2003)
This property is made up of 51 residential units and 1 management office/community center. It is a designated senior housing development.

Staffing for Management Team 2 is comprised of the positions shown in the organizational chart below.

Management Team 2



2026 ANNUAL OPERATING BUDGET

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PUBLIC HOUSING PROPERTY MANAGEMENT TEAM 2 FY2026 BUDGET – ROBINWOOD

PH – Robinwood
FY 2026 Budget

	FY 2025 Budget Recommended	FY 2025 Budget Recommended	Annual Change	% Annual Change
Operating Income				
Rental	\$ 610,298	\$ 474,980	\$ (135,318)	-22.2%
HUD & State Grants	940,974	975,335	34,361	3.7%
Other	126,634	260,012	133,378	105.3%
Total Income	1,677,906	1,710,327	32,421	1.9%
Operating Expenses				
Administration	\$ 593,652	\$ 691,566	97,914	16.5%
Housing Assistance	5,608	-	(5,608)	100.0%
Resident Services	123,373	99,034	(24,339)	-19.7%
Utilities	311,882	284,920	(26,962)	-8.6%
Maintenance	507,696	507,447	(249)	0.0%
General Expenses	393,503	109,340	(284,163)	-72.2%
Total Expenses	1,935,714	1,692,307	(243,407)	-12.6%
Net Income (Loss)	(257,808)	18,020	275,828	-107.0%

2026 ANNUAL OPERATING BUDGET

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PUBLIC HOUSING PROPERTY MANAGEMENT TEAM 2 FY2026 BUDGET – BLOOMSBURY SQUARE

PH – Bloomsbury Square
FY 2026 Budget

	FY 2025 Budget Recommended	FY 2026 Budget Recommended	Annual Change	% Annual Change
Operating Income				
Rental	\$ 264,303	\$ 249,900	\$ (14,403)	-5.4%
HUD & State Grants	600,924	233,959	(366,965)	-61.1%
Other	20,571	89,780	69,209	100.0%
Total Income	885,798	573,638	(312,160)	-35.2%
Operating Expenses				
Administration	\$ 193,836	\$ 236,826	\$ 42,990	22.2%
Housing Assistance	603	-	(603)	100.0%
Resident Services	34,677	27,345	(7,332)	-21.1%
Utilities	124,454	97,600	(26,854)	-21.6%
Maintenance	117,255	119,836	2,581	2.2%
General Expenses	92,940	37,170	(55,770)	-60.0%
Total Expenses	563,765	518,778	(44,987)	-8.0%
Net Income (Loss)	322,033	54,861	(267,172)	-83.0%



CENTRAL OFFICE COST CENTER PROGRAM SUMMARY

The Central Office Cost Center (COCC) is the fund mandated by HUD to account for “centralized” services and functions necessary to operate a housing authority. Most of the functions of the COCC are not directly attributable to the public housing communities or other programs. In essence, they are the overhead functions. For the Authority, these include:

- Executive Office
- Administration
- Financial Services
- Resident Services
- Development

Funding for the COCC is in the form of fees charged to projects or programs. The fees include those specified by HUD as management fees, bookkeeping fees, asset management fees, or fees for services. HUD regulates which of these fees may be charged to any given program and how the fee is to be calculated.

As per the rules of Asset Management, service provided by COCC staff that are directly traceable to properties are front-lined. In 2026, personnel expenses for Resident Services, and Safety/Security are charged directly to all properties using the established allocation by number of bedrooms.

Program management fees are charged to the HCV program according to HUD regulations. These fees are calculated as the larger of 20 percent of earned administrative fees or \$12 per voucher leased per month. In addition, the COCC can also charge the program a bookkeeping fee of \$7.50 per voucher leased per month.

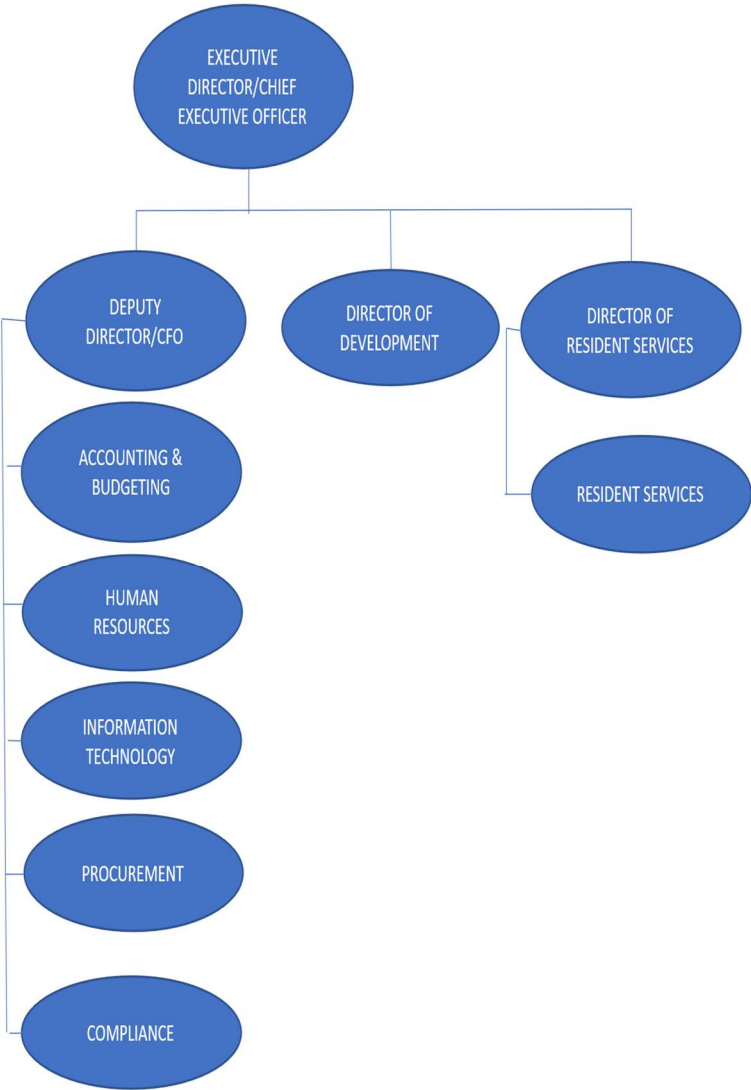
The COCC also charges all grant awards received by the AMPS a fee of up to 10% of the award. These include the Capital Fund Program.



**CENTRAL OFFICE COST CENTER
PROGRAM SUMMARY**

Staffing for the COCC is comprised of the positions shown in the organizational chart below. All Directors with the exception of the Resident Services Director, are directly expensed to the COCC.

CENTRAL OFFICE COST CENTER





CENTRAL OFFICE COST CENTER PROGRAM SUMMARY

Executive Office

The Executive Office includes the Board of Commissioners, Chief Executive Officer and Staff responsible for coordinating the day-to-day activities of the Authority. This department is also responsible for communications with internal as well as external stakeholders including the United States Department of Housing and Urban Development (HUD), other federal entities, the State, City and County governments, Investors and Residents in the Public, Affordable and HCV Housing Programs.

Administration

The Administration department is made up of Financial Services, Human Resources, Information Technology, and Procurement.

The Financial Services department includes Accounting, Budgeting, Procurement and Information Technology. The Accounting team maintains a system of internal administrative and accounting controls. This includes the evaluation of property/program management as well as departmental activities that affect the financial operations of the Authority. This department coordinates and executes all financial documents, annual budget and monthly financial reports.

Human Resources is responsible for planning, implementing and evaluating employee relations. Tasks performed include labor relations, employee recruitment, compensation and benefits management, training and development as well as maintaining awareness of and compliance with federal, state and local labor laws.

Information Technology services provides support for all computer systems, applications and phones. Tasks include providing services to departments that ensure technological systems are reliable, stable and cost efficient.

Procurement is responsible for coordinating the solicitation of all Requests for Quotes (RFQ), Requests for Proposals (RFP), Invitations for Bid (IFB) and finalizing all contractual agreements on behalf of all departments. All departments are responsible for the procurement of materials and supplies for their respective areas in accordance with Asset Management.

The Compliance division ensures overall agency compliance with the regulations, rules, policies and procedures that govern the Housing Authority's administration of housing programs and properties.



CENTRAL OFFICE COST CENTER PROGRAM SUMMARY

Development

The Development department is responsible for planning and organizing all development, construction and modernization projects for the Authority. Tasks include budgeting for HUD funds under the Capital Fund and Replacement Housing Factor programs. This department also manages the affairs for the development instrumentality of the Authority, Development Ventures Inc, tasked with spearheading all development/redevelopment projects.

Resident Services

The Resident Services department offers, in partnership with other agencies, support services to provide opportunities for all residents in properties or programs managed by the Authority. This department manages the Youth Services and implements several programs and services to assist residents. All resident service grants, including but not limited to Family Self Sufficiency, Resident Opportunities and Self-Sufficiency etc., are administered by this department.

In an effort to promote proper safeguarding of resources against waste and inefficiency, encourage accuracy and reliability of operational data, each COCC department manages an individual budget. However, it is important to note that the COCC departments are not a separate asset managed entity on their own. Unless otherwise required by a managed grant, all resources of the COCC are shared amongst the departments depending on need. The COCC budget is presented on a consolidated basis even though each departmental head oversees their own administrative budget.



**CENTRAL OFFICE COST CENTER
FY2026 BUDGET ASSUMPTIONS & PROJECTIONS**

The Central Office Cost Center (COCC) budget for FY 2026 reflects a continued commitment to financial stability and operational efficiency. The budget includes critical funding sources and key expense drivers that support the administrative infrastructure necessary for the successful management of HACA's housing programs.

REVENUE ASSUMPTIONS:

In FY 2026, the COCC anticipates a substantial increase in revenue due to two primary sources of non-operating income: the developer fee earned from the financial closing of Bloomsbury Square and the proceeds from the disposition of Annapolis Gardens. These one-time income sources significantly contribute to the \$199,916 increase in Other Income, allowing the agency to stabilize operations and support organizational needs without reducing service levels.

Fee income is also projected to increase by \$88,628, a 10.1% year-over-year growth. This rise is directly linked to improved occupancy rates across the public housing portfolio, which results in higher management and bookkeeping fees charged to the AMPs. These fees are calculated in accordance with HUD regulations, with property management fees set at \$72.06 per unit for the first half of the fiscal year and \$72.63 for the second half. Bookkeeping fees remain at \$7.50 per occupied unit, and asset management fees continue at \$10.00 per ACC unit per month, contingent on excess cash levels determined by the prior year's Financial Data Schedule.

In addition, the Housing Choice Voucher (HCV) program is billed the greater of \$12 per leased voucher or 20% of the administrative fee earned, along with the \$7.50 per leased voucher bookkeeping fee. These revenues help ensure the COCC remains financially self-sustaining while providing essential oversight and support to housing operations.

EXPENSE ASSUMPTIONS:

The FY 2026 administrative expenses are expected to rise by \$291,906, representing a 24.8% increase over FY 2025. This increase is largely due to the return of COCC staff to a full-time work schedule following temporary hour reductions implemented in FY 2025 as a cost-saving measure. The reinstatement of full-time staffing reflects both the agency's improved financial outlook and its strategic investment in human capital to enhance service delivery and organizational performance.

2026 ANNUAL OPERATING BUDGET

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CENTRAL OFFICE COST CENTER FY2026 BUDGET

COCC

FY 2026 Budget

	FY 2025 Budget Recommended	FY 2026 Budget Recommended	Annual Change	% Annual Change
Operating Income				
Other Income	\$ 426,838	\$ 626,754	\$ 199,916	100.0%
Fee Income	874,332	962,960	88,628	10.1%
Total Income	1,301,170	1,589,714	288,544	22.2%
Operating Expenses				
Administration	\$ 1,177,734	\$ 1,469,640	\$ 291,906	24.8%
Resident Services	18,802	-	(18,802)	100.0%
Utilities	48,733	41,000	(7,733)	-15.9%
Maintenance	29,039	74,074	45,035	155.1%
General Expenses	26,861	5,000	(21,861)	-81.4%
Total Expenses	1,301,170	1,589,714	288,544	22.2%
Net Income (Loss)	0	-	(0)	-100.0%



HOUSING CHOICE VOUCHER PROGRAM SUMMARY

The Authority administers the Housing Choice Voucher (HCV) Program in accordance with regulations from the U.S. Department of Housing and Urban Development (HUD). This program is designed to provide rental assistance to eligible families by issuing vouchers that enable them to rent housing in the private market. Participants typically contribute approximately 30% of their income toward rent, and the Authority pays the balance directly to the landlord based on HUD's published Payment Standards.

There are two primary types of vouchers under the HCV Program: tenant-based vouchers, which give families the flexibility to choose their own housing, and project-based vouchers, which are tied to specific housing units.

The Authority is authorized to administer up to 770 vouchers. However, it is important for board members to understand that this figure represents the maximum authorized vouchers, not the number that can always be fully leased. HUD provides annual funding in the form of an Annual Budget Authority (ABA), which determines the total amount of Housing Assistance Payments (HAP) that the Authority can make within a given fiscal year. This funding is based on prior leasing and cost data, subject to proration and congressional appropriations.

As a result, the Authority may not be able to lease all 770 authorized vouchers if the ABA is insufficient. This concept is known as budget-based leasing. In practice, the Authority must ensure that its leasing levels align with available funding to avoid exceeding its ABA. Although leasing fewer vouchers may seem counterintuitive, it ensures the program operates within its financial constraints.

For FY 2026, proration rates are set at 99.5% for HAP and 90% for administrative fees. These reductions have a significant impact on the Authority's ability to fully fund its HAP obligations and administrative operations. Compounding this, HUD has implemented a funding offset that has reduced the Authority's ABA. As a result, the HCV Program is expected to enter into shortfall status, meaning that the available HAP funding will be insufficient to cover projected expenses at current leasing levels. This will require close monitoring of lease-up activity and may necessitate corrective actions such as attrition-based reductions or requests for HUD shortfall funding.

Primary services under the HCV Program include accepting and processing applications, conducting Housing Quality Standards (HQS) inspections, and performing annual and interim recertifications for continued eligibility.

2026 ANNUAL OPERATING BUDGET

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HAP funds are considered “pass-through” and can only be used for rental assistance payments. Unspent HAP funds are restricted and cannot be used for administrative or personnel expenses. Administrative costs are funded separately through administrative fees, which are also subject to proration and offset reductions.

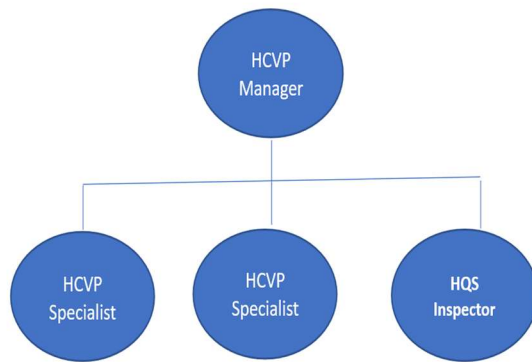
The HCV Program is classified as a separately asset-managed program under HUD’s Asset Management model and pays program management and bookkeeping fees to the Central Office Cost Center (COCC) in accordance with HUD guidelines.



PROGRAM SUMMARY

Staffing for the HCVP program is comprised of the positions shown in the organizational chart below:

HOUSING CHOICE VOUCHER PROGRAM



FY2026 BUDGET ASSUMPTIONS & PROJECTIONS

The budget for the HCV Program is divided into two parts – Administration and Housing Assistance Payments (HAP). The following information provides additional detail regarding the projections of revenues and expenses for the HCV Program.

REVENUES:

1. Housing Assistance Payment funds to be received have been budgeted at \$10,524,980 using an average HAP amount of \$1,161. HAP funds can only be utilized for housing assistance payments to landlords.
2. Administrative Fees earned are budgeted at \$858,655 which is a 8.09% increase from the amount expected to be received in 2025 of \$794,411 due to projected increase in leasing.
3. HCVP staff salaries can only be paid from Admin fees, not HAP funds.

EXPENSES:

1. Housing Assistance Payment (HAP) expenses are projected at \$10,524,980, which reflects the actual expected cost to lease up vouchers at current projected levels and payment standards. However, the Housing Assistance Payment funding provided by HUD is only \$7,476,170, resulting in a projected shortfall of \$3,048,810.
2. This shortfall is directly tied to a \$1,284,611 offset applied by HUD, which reduced the Authority's Annual Budget Authority (ABA) for HAP. The offset is a recapture mechanism used by HUD to reclaim what it deems as "excess" HAP reserves, even if those reserves are planned for future use or based on prior under-leasing periods. As a result, the Authority is operating with a significantly reduced HAP funding level while maintaining leasing levels that reflect community need and available voucher authority.
3. Program management fees payable to the Central Office Cost Center (COCC) for FY 2026 are calculated as 20% of the projected administrative fees. Additionally, bookkeeping fees of \$7.50 per unit per month leased are also charged. While these fees are allowable, the program's deficit status limits the ability to fully apply them without further deepening the shortfall.
4. All other expenses are directly incurred by the HCV department. Due to the projected funding gap, the Authority will need to explore mitigation strategies, such as attrition-based reductions, applying for HUD shortfall funding, or other allowable cost containment measures to ensure program sustainability.

2026 ANNUAL OPERATING BUDGET

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FY2026 BUDGET – HOUSING CHOICE VOUCHER PROGRAM

	FY 2025 Budget Recommended	FY 2026 Budget Recommended	Annual Change	% Annual Change
Operating Income				
HUD & State Grants	\$ 8,553,830	\$ 8,334,825	\$ (219,005)	-2.6%
Total Income	8,553,830	8,334,825	(219,005)	-2.6%
Operating Expenses				
Administration	\$ 736,911	\$ 776,190	\$ 39,279	5.3%
HAP Payments	7,757,936	10,524,980	2,767,044	35.7%
Total Expenses	8,494,847	11,301,170	2,806,323	33.0%
Net Income (Loss)	58,983	(2,966,345)	(3,025,328)	-5129.2%



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