



Open House West Arbor – Ribbon Running

AAHC Services

- 01** Affordable Housing Properties
16 properties in the City of Ann Arbor
412 apartments
- 02** Voucher Programs
2,073 Vouchers
- 03** Family Self-Sufficiency & Homeownership Programs
99 – 130 FSS participants
10 Homeowners
- 04** Finance and Administration
\$22 Million Budget
29 Staff

COVID-19 AAHC Operational Impact

- There will be a tsunami of evictions in a couple months across the nation due to lost jobs and incomes if Congress/President/HUD does not provide BOLD & BIG response
- HUD has offered minimal regulatory concessions as of 3.20.2020
- HUD has April & May budgeted rent subsidies approved and available
- All AAHC staff are working from home except maintenance
 - Staff rotation to come into office to get documents and supplies 1 day/week
 - All staff have laptops and IT is assisting with all work from home related issues
- 1 maintenance person and 1 manager on-call 24-7 for emergency work orders and urgent property management issues

VOUCHER PROGRAM IMPACT and RESPONSE

- EVICTION PREVENTION

- AAHC is calling all tenants with job & self-employment income to do a phone self-affidavit of income loss to reduce their rent portion & increase HUD rent portion to take effect April 1st.
 - AAHC will follow-up with tenants for paperwork trail for HUD via mail.
 - Our rent subsidy budget need will increase by 50% - 100%
 - We will run out of rent subsidy funding if HUD does not get additional funding
- Utility Allowance checks are sent to tenants in the mail to pay DTE, which has provided direct DTE contacts if having problems with shut-offs.

VOUCHER PROGRAM IMPACT and RESPONSE

- **WAITING LIST & RELOCATION**

- AAHC is finishing process with in-process applicants who are new tenants or are relocating to a new apartment
- No new applicants will be pulled from the waitlist and relocations will not be approved until we figure out a process to make it work without requiring in-person contact
 - Exceptions for VAWA requests (Violence Against Women Act)
 - Exceptions for other non-profit owned properties with assistance from their staff

- **NEW Specialty Vouchers Awarded from HUD**

- Will request contract extension from HUD if not able to meet deadline to lease-up all the new vouchers due to COVID-19

AFFORDABLE HOUSING IMPACT and RESPONSE

- EVICTION PREVENTION

- \$74,000 emergency funding request from the City to make all tenants who currently owe back rent whole so they can start with a zero balance in April
 - We are required to terminate voucher assistance and report tenant debt to HUD
 - Normally we would work with community partners to help tenants with back-owed rent but all our partners are overwhelmed with the demand now and it will get worse
 - This is not a cash-flow issue, it is a cash-loss issue.
 - Tenants will not be able to get caught up later through a repayment agreement
- AAHC is calling all tenants with job & self-employment income to do a phone self-affidavit of income loss to reduce their rent portion & increase HUD rent portion to take effect April 1st.
 - AAHC will follow-up with paperwork trail for HUD via mail.
 - Our rent subsidy budget need will increase by 50% - 100%
 - We will run out of rent subsidy funding if HUD does not get additional funding
- All utilities are included in rent on AAHC properties, therefore shut-offs not expected

AFFORDABLE HOUSING IMPACT and RESPONSE

- **BUILDING SECURITY**

- \$26,000 in emergency funding request from the City to add security staff
 - 7 weeks worth of funding
 - 112 hours/week at Miller Manor evenings to supplement Avalon staff for 24/7
 - 52 hours/week at Baker Commons evenings

- **EMERGENCY WORK ORDER PLAN IN PLACE**

- All vendors such as plumbing, electric, elevators etc. contacted
- Coordinating with City Emergency Response team for cleaning and protective gear supplies

- **FOOD SECURITY**

- Coordinating with AAPS, Food Gatherers, Peace, CAN, and Avalon
- High probability that current local resources will be insufficient once tenants are at home for long duration without income

AFFORDABLE HOUSING IMPACT and RESPONSE

- VACANCIES

- Our vacant units will not be filled from waitlist during crisis
- Units will be made available if needed for emergency housing for COVID-19
 - Need to purchase beds and basic necessities
 - Estimated \$25,000 is needed to furnish 8 apartments
- Coordinating with City Emergency Response team & County Health Dept for cleaning and protective gear supplies

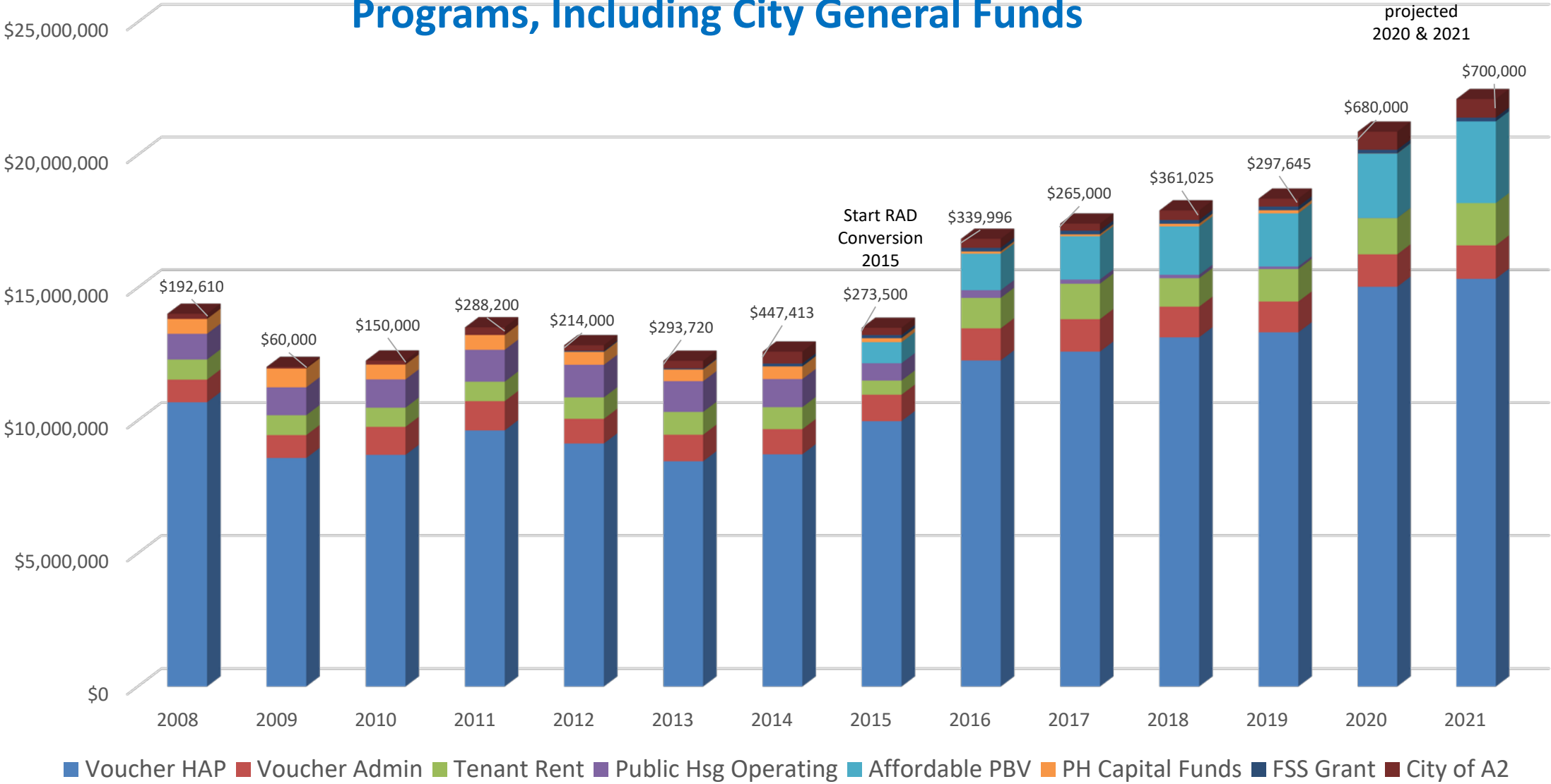
- FOOD SECURITY

- Coordinating with AAPS, Food Gatherers, Peace, CAN, and Avalon
- High probability that current local resources will be insufficient once tenants are at home for a long duration without income
 - Estimate \$100,000 will be needed for food and other emergency assistance

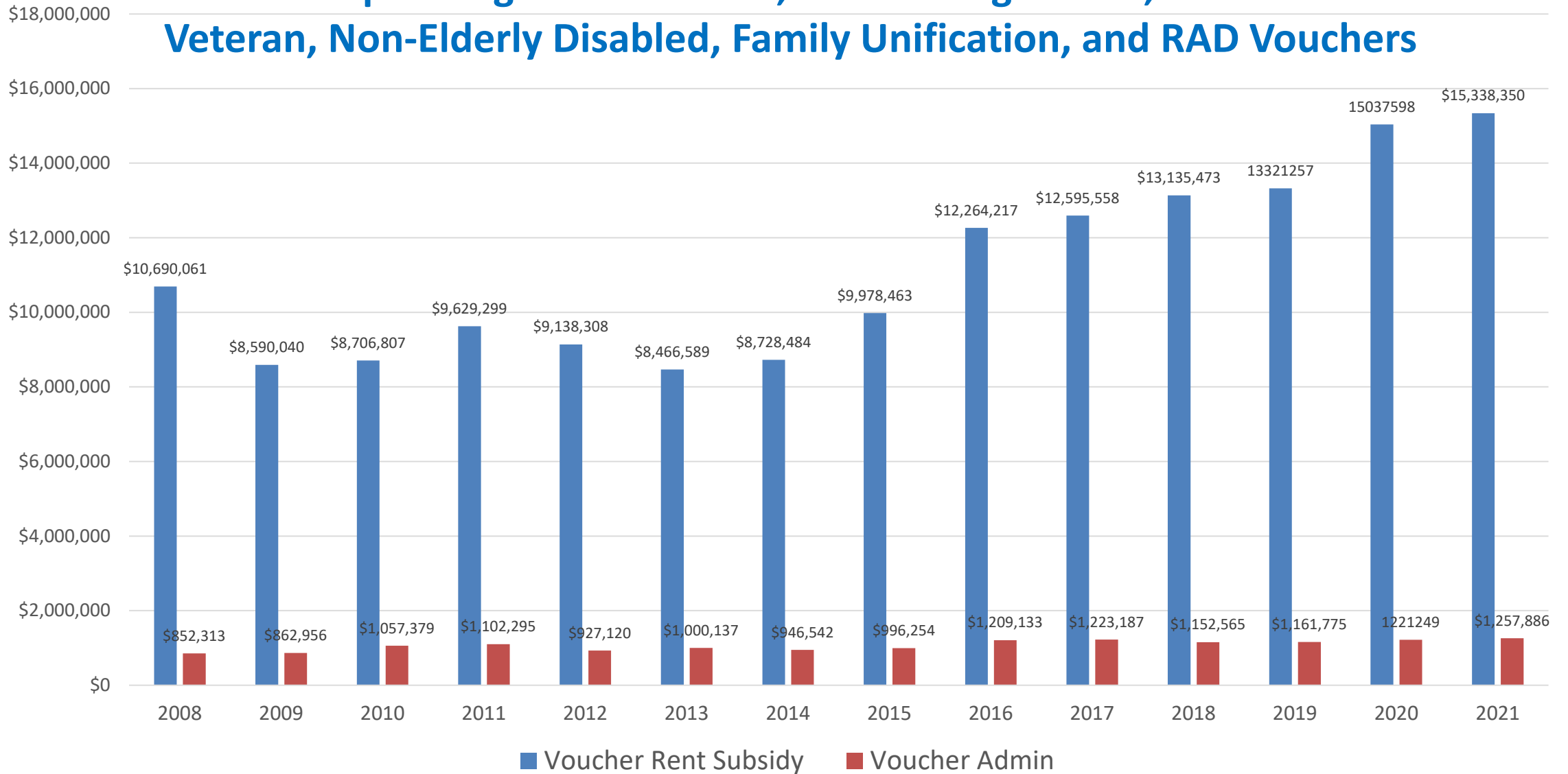
AFFORDABLE HOUSING IMPACT and RESPONSE

- TENANTS DIAGNOSED WITH COVID-19
 - If asymptomatic or minor symptoms
 - If sheltering in place and self-isolation
 - AAHC will need to assess tenants ability to care for self and family & what local resources are available
 - Food
 - Medicine
 - Basic hygiene
 - Congregate sites (Baker and Miller)
 - Will need to ensure stay in apartment with human security measures
 - Additional cleaning protocols
 - If hospitals overwhelmed and very ill tenants must shelter in place
 - AAHC will coordinate with Health Dept & City Safety Services on response
 - AAHC will need any available resources from the city in personnel and supplies

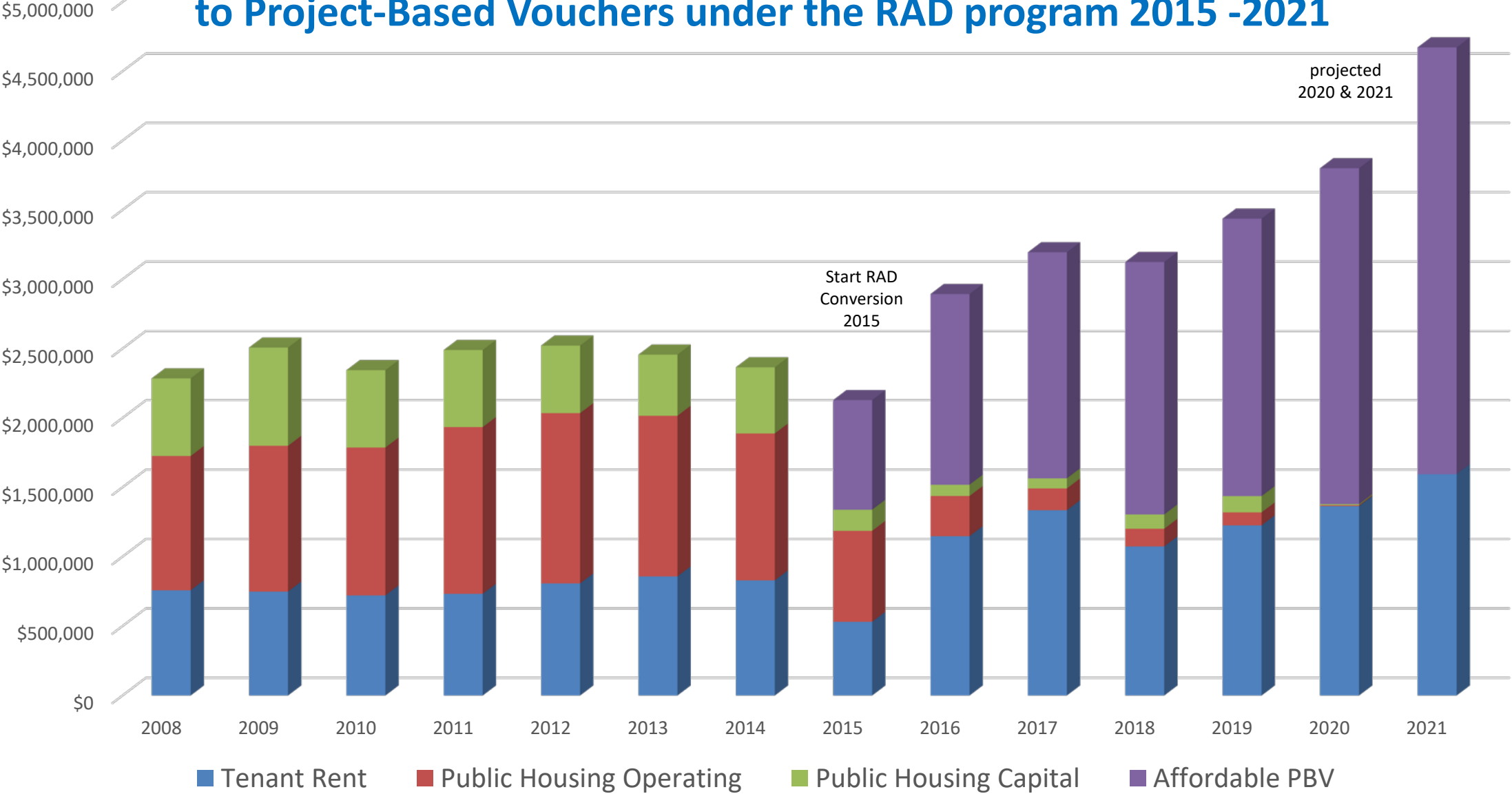
Operating Revenue for Housing and Voucher Programs, Including City General Funds



HUD Operating Revenue for 2,073 Housing Choice, Homeless Veteran, Non-Elderly Disabled, Family Unification, and RAD Vouchers



Annual Operating Revenue for Public Housing slowly converted to Project-Based Vouchers under the RAD program 2015 -2021



AAHC Budget Request FY21

- GENERAL FUNDS

- \$160,000 Re-occurring Operational Support
- IT and HR support

- County Mental Health Millage Rebate

- \$300,000 Mental Health Services
- \$235,000 Additional Supportive Services
- \$140,000 Development of City Properties as Affordable Housing
 - Development contractor
 - Due diligence for properties not in the downtown
- \$250,000 Swift Lane Accessibility and Sustainability Improvements
- \$315,000 Acquisition Project



Resident Art Room at Miller

Community Partners

Mental Health and Supportive Services

Client-centered Case Management, Mental Health, Community Building, Crisis Services, Financial Literacy, Jobs, Youth Programs, Support Groups, Eviction Prevention, Quality of Life Services, Resident Council, Art Therapy, Medical Services

Peace Neighborhood Center

Ozone House

SOS Community Services

Food Gatherers

Michigan Works

Community Action Network

Avalon Housing

Veteran's Administration

University of Michigan School of Pharmacy

Packard Community Clinic

2015 Housing Affordability & Economic Equity Analysis

Housing Goal: 2,080 units by 2035 (60% AMI or less)

Units Built/Under Construction

- AAHC
 - 3 Miller Manor on Miller Ave
 - 23 West Arbor on N. Maple
 - 32 Swift Lane at State and at Platt Road
- Avalon
 - 70 Phase I & II Hickory Way at S. Maple
 - 6 on Gott Street
- Private Developer through Brownfield
 - 15 at 1140 Broadway

149 TOTAL by 2021

Units In the Pipeline/Planned

- Avalon
 - 50 Veridian at County Farm on Platt
 - 6 on Glendale
- Private Developer through Zoning
 - 14 at 1100 S. University
 - 19 at 616 E. Washington

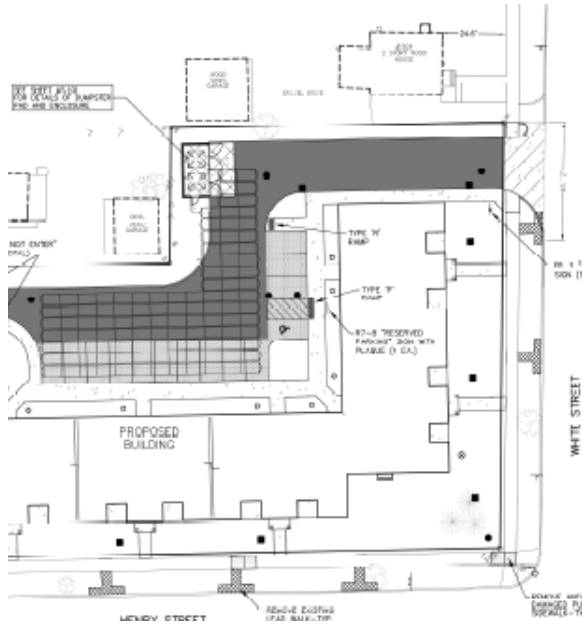
89 TOTAL estimate by 2022

7 year goal 980 units

7 year total 238 units

Behind by 742 units by 2022

SITE UPDATES



Pre-entitlement

415 W Washington

350 S. Fifth



Community Engagement

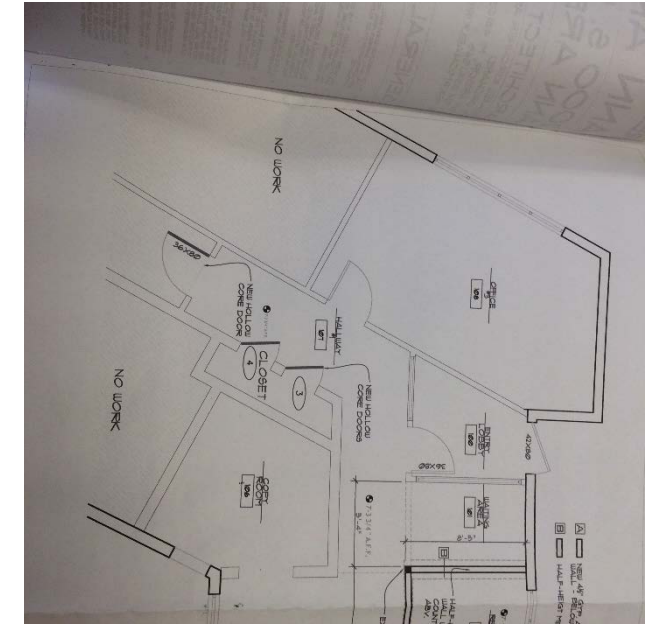
S. Ashley/William parking lot

721 N Main

Catherine/Fourth lot

353 S Main lot

Platt & Springbrook



Needs Further Study

2000 S. Industrial

1510 E Stadium

404-406 N Ashley



415 W Washington



- ✓ Floodway/Floodplain
 - ✓ Must Elevate Residential Use
 - ✓ Greenway Eligible Use



- ✓ Adjacent to Railroad
 - ✓ NOT LIHTC Eligible



- ✓ NOT HUD or MSHDA Funding Eligible



- ✓ Further Brownfield Study Needed



- ✓ Chimney Swift Potential Disturbance



- ✓ High Local Subsidy Per Unit



- ✓ DDA Funding Eligible

Recommend Pre-Entitlement



Appraised Value
\$5.5 Million

D2 Zoning
32,671 SF footprint
148,330 SF total
133% Floor-Area-Ratio

TDC ~\$49 Million
Annual Tax ~\$1.1 Million
Annual Lease~ \$.05 - \$1 M

173 Residential Units
Units at 60% AMI - TBD
9,900 SF Commercial/Flex

350 S. 5th (old Y)



✓ No Negative Site Issues



✓ LIHTC Eligible
✓ High Scoring



✓ LIHTC Quickly Maxes Out Funding
✓ Large Number of Units



✓ HUD and MSHDA Funding Eligible



✓ DDA Funding Eligible

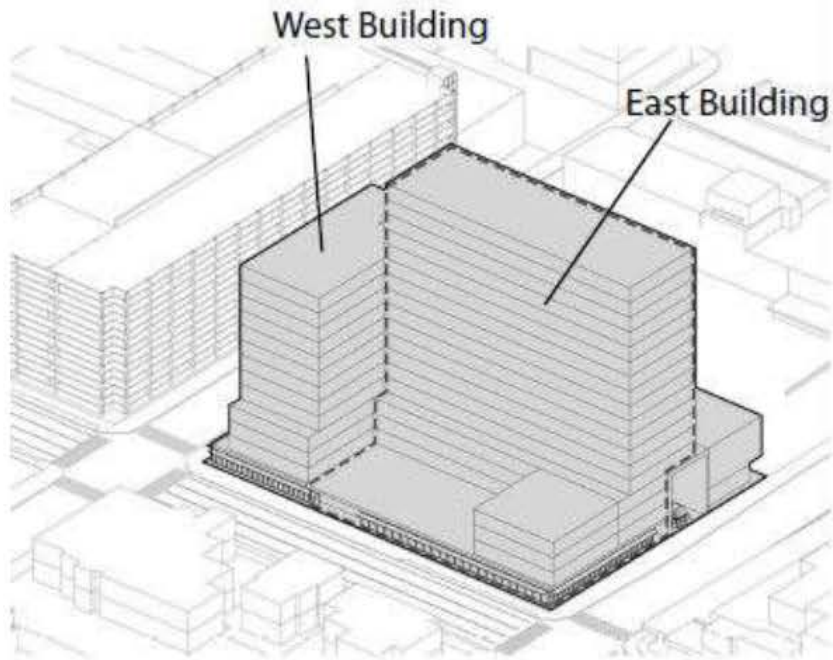


✓ Significant Impact On Downtown
✓ AAATA Partner

Recommend Pre-Entitlement



Y LOT PREFERRED OPTION



affordable units: **130 units (31%)**

market rate units: **288 units**

	<i>Building</i>	<i>WEST</i>	<i>EAST</i>
Floor-Area-Ratio:		744%	865%
Height Feet (floors):		150' (13)	200' (18)
Larger tower but set back from William St			
Ground Floor GSF:		7,350	19,795
Transit lane provided along north edge			
Total Development Cost: ~\$72 Million			
Potential Tax Revenue: ~\$1.5 - 2 Million			
Ground Lease Revenue: ~\$0.5 - 1 Million			

Lower to higher

Provide Affordable Housing Units



Provide Market Rate Housing Units



Density of buildings



Height of buildings



Scales down to William Street



Potential active ground floor



Support expansion of transit



Financial complexity/risk



Financial revenue





Catherine/Fourth Lot



✓ **No Negative Site Issues**



✓ **LIHTC Eligible**

✓ **High Scoring**



✓ **Perfect Size to Max Out Funding**

✓ **60 - 85 units**



✓ **HUD and MSHDA Funding Eligible**



✓ **DDA Funding Eligible**



✓ **Minimal Local Resources Needed**



✓ **Parking for Farmer's Market**

Recommend Community Engagement on development options, parking study and housing market analysis



353 S Main

- ★ ✓ No Negative Site Issues
- ★ ✓ LIHTC Eligible
 - ✓ High Scoring
 - ✓ Perfect Size to Max Out Funding
 - ✓ 30 – 50 units
- ★ ✓ HUD and MSHDA Funding Eligible
- ★ ✓ DDA Funding Eligible
- ★ ✓ Minimal Local Resources Needed
- ▲ ✓ Parking Main Street

Recommend Community Engagement on development options, parking study and housing market analysis

721 N Main



- ✓ Floodway/Floodplain
 - ✓ FEMA Deed Restriction
 - ✓ Greenway, Treeline Trail Eligible Use



- ✓ NOT LIHTC Eligible
 - ✓ Adjacent to Railroad



- ✓ NOT HUD or MSHDA Funding Eligible



- ✓ DDA Funding Eligible
- ✓ High Local Subsidy Per Unit



- ✓ Northwest corner developable
 - ✓ 25-35 units

Recommend Community Engagement on development options, parking study and housing market analysis



S. Ashley Lot (Klines)



✓ No Negative Site Issues



✓ LIHTC Eligible

✓ High Scoring



✓ LIHTC Quickly Maxes Out Funding

✓ 400-600+ units



✓ HUD and MSHDA Funding Eligible



✓ DDA Funding Eligible

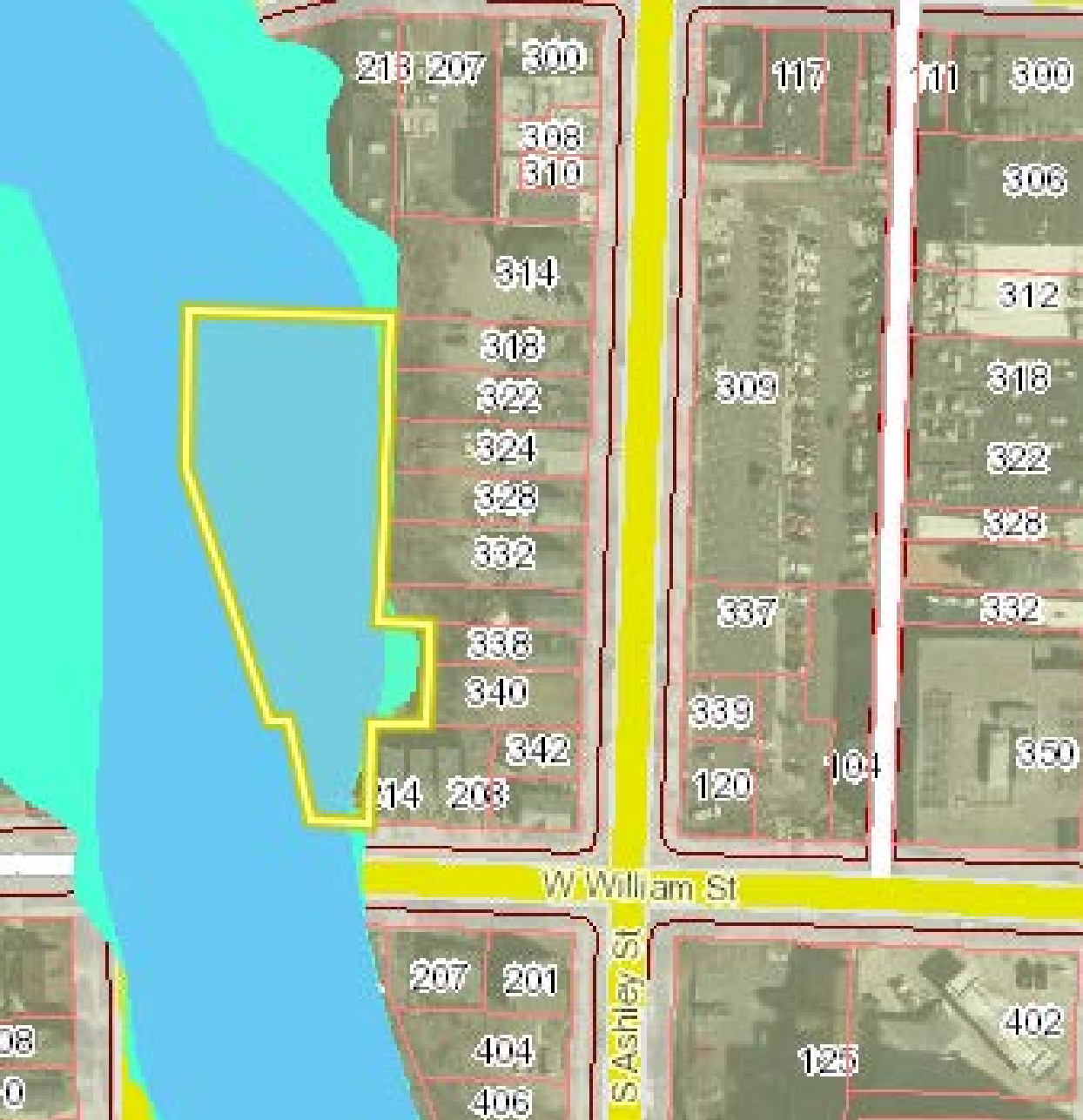


✓ Significant Impact On Downtown

✓ Pair w/ Parking Deck 216 W William

Recommend Community Engagement on development options, parking study and housing market analysis

1st/W William Lot



✓ Entire Site in Floodway/Floodplain



✓ NOT LIHTC Eligible

✓ Adjacent to Railroad



✓ NOT HUD & MSHDA Funding Eligible



✓ DDA Eligible



✓ Council Resolution re Greenway

Recommend parking deck as companion to development of Ashley/William, including greenway



404 - 406 N Ashley

- ★ ✓ **No Negative Site Issues**
- ★ ✓ **LIHTC Eligible**
 - ✓ **High Scoring**
- ★ ✓ **Perfect Size to Max Out Funding**
 - ✓ **60 - 85 units**
- ★ ✓ **HUD and MSHDA Funding Eligible**
- ★ ✓ **DDA Funding Eligible**
- ★ ✓ **Minimal Local Resources Needed**
- ▲ ✓ **UM Dental Clinic Lease Expires 6/2021**
 - ✓ **Lease Option Through 6/2024**

Recommend Discussion with UM related to its relocation plans for the UM Dental Clinic



Platt & Springbrook



✓ **No Site Issues**



✓ **LIHTC Eligible**

✓ **Scores Poorly Based on Location**

✓ **Too Small for Stand-Alone LIHTC**

✓ **12-14 Units**



✓ **HUD & MSHDA Funding Eligible**



✓ **Expensive Infrastructure Per Unit**

✓ **Road**

✓ **Water and Sewer**



✓ **High Local Subsidy Per Unit**

Recommend Community Engagement: Developer, Density, Owner or Rental



1510 E Stadium



✓ **No Site Issues**



✓ **LIHTC Eligible**

✓ **Scores Poorly Based on Location**

✓ **Too Small for Stand-Alone LIHTC**

✓ **8-12 Units**



✓ **HUD & MSHDA Funding Eligible**



✓ **Demolition of Fire Station**

✓ **Or Potential AAHC Office/Maintenance**

✓ **Temporary or Permanent**



✓ **High Local Subsidy Per Unit**

Hired Architect to Design and Cost Estimate to Renovate & ADA Addition as Office/Maintenance Space



2000 S. Industrial



✓ **Underground Storage Tank**



✓ **NOT LIHTC Eligible**

✓ **Adjacent to Railroad**



✓ **NOT HUD & MSHDA Funding Eligible**



✓ **Large Site – High Potential**

✓ **50-165 Units**



✓ **Test Site Revenue Bond Financing**



✓ **AAHC Office/Maintenance Relocation**



✓ **High Local Subsidy Per Unit**

Hired Architect to compare cost of building new AAHC office/maintenance at Industrial or renovating E Stadium

Resource Request from DDA FY20

- Community Engagement with SmithGroup at 353 S Main, 721 N Main, S Ashley/William Parking lot, Catherine/4th lot
 - \$125,000
- Downtown Parking Study
 - Estimated \$55,000
- Downtown Housing Market Analysis
 - Estimated \$20,000
- Infrastructure Planning
 - Coordinate with DDA, City Engineering, City Planning and City Housing
 - Site by site requirements, cost estimates and timelines

FY21 Budget Request from DDA FY21

- Due Diligence & Pre-Entitlement of highest priority properties
 - Estimated \$200,000 - \$280,000 per site, depending on size and complexity
- Create Area Plan
 - Traffic Analysis
 - Circulation & Parking Plan
 - Phase I and Phase II
 - Grading Plan
 - Conceptual Building Design
 - FAR/Density & Building Heights
 - Open Space Plan
 - Conflicting Land Use Buffer
 - Landscape Plan
 - Location & Dimension of Public Easements
 - Utility Plan
 - Soil Erosion Control
 - Storm Management Plan
- City Approval Process
 - Planning Department Review
 - Design Review Board
 - Community Outreach
 - Planning Commission
 - City Council
- Deliverables
 - Approved Area Plan
 - Approved Supplemental Regulations

Affordable Housing Deliverables

Property	Total Number of Units	Low-end # Affordable	High-end # Affordable
404 N Ashley	60 - 85	60	85
121 Catherine	60 - 85	60	85
353 S. Main	30 - 50	30	50
Ashley/William lot	400 - 600	125	600
350 S 5 th	400 - 418	130	418
415 W Washington	200 - 217	0*	217
721 N Main	25 - 35	0*	35
2000 S. Industrial	50 - 165	50	165
3400 Platt/Springbrook	12 - 14	12	14
1510 E. Stadium	8 - 12	8	12
TOTALS		475	1681**

*Challenging sites for affordable housing financing

** All units could be affordable with deep local subsidies

Next Steps

- April 6 & April 20 Council Meetings
 - Resolution to amend the DDA Ordinance to facilitate DDA financial support
 - Resolution to start pre-entitlement process for 415 W. Washington
 - Resolution to start pre-entitlement process for 350 S. 5th
- Staff are meeting with a variety of developers to ensure that the path and process will lead to viable projects that will minimize risk and get built
- Contract with SmithGroup for Community Engagement
 - 353 S. Main, 121 E. Catherine, Ashley/William lot, and 721 N. Main
 - Downtown parking analysis and recommendations
 - Downtown housing market analysis
- DFDG architects is conducting cost comparison to build and/or renovate 1510 Stadium and 2000 S. Industrial for AAHC office/maintenance facilities as stand-alone or combined with housing