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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Susan Pollay, Executive Director, DDA

CC: Steven D. Powers, City Administrator

SUBJECT: DDA

DATE: March 20, 2015

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**Question:** For the DDA professional services consulting admin line item, please break all line items with all allocations and estimates for FY16-17 (Councilmembers Briere and Kailasapathy)

**Response:** Attached as DDA attachment #1.

**Question:** Are there any capital improvements projects in the downtown currently to identify? Please provide current downtown TIF projects list. (Councilmember Kunselman)

**Response:** A list of potential upcoming projects is attached as DDA attachment #2. The DDA has not selected projects for FY 16. The TIF projects list is attached as attachment #3.

**Question:** Are there capital funds and infrastructure in addition to parking – help us understand what you are doing using the 2003 plan? (Councilmember Briere)

**Response:** The plan documents can be found on the DDA's website:  
<http://www.a2dda.org/about-the-dda/>

**Question:** Can the DDA provide follow up clarity on rent payments? (Councilmember Lumm)

**Response:** Attached as DDA attachment #4.

**Question:** How much would come to General Fund if there was no DDA?  
(Councilmember Briere)

**Response:** Below is a table showing the millages that the DDA captures. If the DDA were dissolved, the City's General Fund would receive approx. \$1.9 mil. in additional funds. However, the AAATA City portion is a pass-thru to the AAATA so from a practical sense, this amount would be reduced to approx. \$1.5 mil. This represents approx. 29% of the total taxes that the DDA is eligible to capture.

	Rate Certified	Total DDA Capture	% of Total
<b>General Fund</b>			
Operating	6.1682	\$ 1,112,850	22%
Employee benefits	2.0560	370,938	7%
AAATA City	2.0560	370,938	7%
<b>Total General Fund</b>	<b>10.2802</b>	<b>1,854,725</b>	<b>37%</b>
AAATA County	0.7000	126,292	3%
Refuse collection	2.4670	445,089	9%
Streets	2.1250	383,387	8%
Parks	1.1000	198,459	4%
Park Acq	0.4779	86,221	2%
<b>Total City</b>	<b>17.1501</b>	<b>3,094,174</b>	<b>61%</b>
Washtenaw County	5.7838	1,043,497	21%
Washtenaw Community College	3.4576	623,811	12%
Ann Arbor District Library	1.5500	279,647	6%
<b>Grand Total</b>	<b>27.9415</b>	<b>5,041,128</b>	<b>100%</b>

**Question:** When does the cap on the DDA TIF capture go into effect?  
(Councilmember Briere)

**Response:** The DDA ordinance includes a cap of DDA capture that starts in FY2017 (tax year 2016). The amount of the cap is estimated to be approx. \$6.1 mil. in FY2017 and will increase 3.5% per year per the City ordinance.

**Ann Arbor DDA  
Actual Revenues and Expenditures  
FY 2014**

	003 FY 2014 TIF	001 FY 2014 Housing	063 FY 2014 Parking	065 FY 2014 Parking Maint.	Adjustments	FY 2016 All Funds Combined
<b><u>Income</u></b>						
TIF Revenues	\$4,371,289					\$4,371,289
Parking Revenues			\$19,692,877			\$19,692,877
Transfers from Other Funds	\$121,244	\$400,000		\$4,400,000	(\$4,921,244)	\$0
Interest Income	\$35,918	\$1,643	\$13,091	\$5,044		\$55,696
Miscellaneous Income	\$983		\$206,450			\$207,433
<b>Total Income</b>	<b>\$4,529,434</b>	<b>\$401,643</b>	<b>\$19,912,418</b>	<b>\$4,405,044</b>	<b>(\$4,921,244)</b>	<b>\$24,327,295</b>
<b><u>Expenses</u></b>						
Parking Expenses						
Direct Parking Expenses			\$10,381,472			\$10,381,472
Utilities			\$603,711			\$603,711
<b>Total Parking Expenses</b>			<b>\$10,985,183</b>			<b>\$10,985,183</b>
Bond Payments & Interest	\$3,404,275		\$3,412,800			\$6,817,075
Capital Costs	\$477,223		\$1,270,046	\$1,527,177		\$3,274,447
Administration						
Salaries	\$159,950		\$159,950			\$319,900
Fringe Benefits	\$96,519		\$96,519			\$193,038
Administrative Expenses	\$113,924	\$2,556	\$65,638			\$182,118
Insurance	\$13,844		\$54,845			\$68,689
Contracted Services			\$0			\$0
Repairs and Maintenance	\$139,130					\$139,130
<b>Total Administration</b>	<b>\$523,367</b>	<b>\$2,556</b>	<b>\$376,952</b>			<b>\$902,875</b>
Professional Services						
Legal	\$12,435		\$3,688			\$16,123
Engineering	\$4,840		\$47,505	\$169,121		\$221,466
Professional Services	\$126,095		\$47,340	\$21,249		\$194,684
Studies						\$0
<b>Total Professional Services</b>	<b>\$143,370</b>		<b>\$98,533</b>	<b>\$190,370</b>		<b>\$432,273</b>
Interfund Transfers	\$400,000		\$4,521,244		(\$4,921,244)	\$0
Grants	\$601,252	\$900,000	\$565,970			\$2,067,222
<b>Total Expenses</b>	<b>\$5,549,487</b>	<b>\$902,556</b>	<b>\$21,230,729</b>	<b>\$1,717,547</b>	<b>(\$4,921,244)</b>	<b>\$24,479,075</b>
<b>Excess of Revenues Over Expenses</b>	<b>(\$1,020,053)</b>	<b>(\$500,913)</b>	<b>(\$1,318,311)</b>	<b>\$2,687,497</b>	<b>\$0</b>	<b>(\$151,780)</b>

**Ann Arbor DDA  
Budgeted Revenues and Expenditures  
FY 2015**

	003 FY 2016 TIF	001 FY 2016 Housing	063 FY 2016 Parking	065 FY 2016 Parking Maint.	Adjustments	FY 2016 All Funds Combined
<b><u>Income</u></b>						
TIF Revenues	\$4,800,000					\$4,800,000
Parking Revenues			\$19,297,782			\$19,297,782
Transfers from Other Funds		\$200,000		\$2,118,025	(\$2,318,025)	\$0
Interest Income	\$3,009	\$2,742	\$6,701	\$16,515		\$28,967
Miscellaneous Income			\$110,000			\$110,000
<b>Total Income</b>	<b>\$4,803,009</b>	<b>\$202,742</b>	<b>\$19,414,483</b>	<b>\$2,134,540</b>	<b>(\$2,318,025)</b>	<b>\$24,236,749</b>
<b><u>Expenses</u></b>						
Parking Expenses						
Direct Parking Expenses			\$10,797,910			\$10,797,910
Utilities			\$481,935			\$481,935
Total Parking Expenses			<b>\$11,279,845</b>			<b>\$11,279,845</b>
Bond Payments & Interest	\$2,004,541		\$5,059,854			\$7,064,395
Capital Costs	\$780,000		\$449,500	\$2,199,640		\$3,429,140
Administration						
Salaries	\$177,689		\$175,655			\$353,344
Fringe Benefits	\$122,947		\$122,947			\$245,894
Administrative Expenses	\$178,002	\$2,000	\$101,184			\$281,186
Insurance	\$21,840		\$65,000			\$86,840
Contracted Services			\$0			\$0
Repairs and Maintenance	\$104,000			\$258,000		\$362,000
Total Administration	<b>\$604,478</b>	<b>\$2,000</b>	<b>\$464,786</b>	<b>\$258,000</b>		<b>\$1,329,264</b>
Professional Services						
Legal	\$26,523		\$5,835			\$32,358
Engineering	\$100,000		\$200,000	\$100,000		\$400,000
Professional Services	\$250,000		\$200,000	\$72,937		\$522,937
Studies						\$0
Total Professional Services	<b>\$376,523</b>		<b>\$405,835</b>	<b>\$172,937</b>		<b>\$955,295</b>
Interfund Transfers	\$200,000		\$2,118,025		(\$2,318,025)	\$0
Grants	\$620,008	\$375,000	\$976,000			\$1,971,008
<b>Total Expenses</b>	<b>\$4,585,550</b>	<b>\$377,000</b>	<b>\$20,753,845</b>	<b>\$2,630,577</b>	<b>(\$2,318,025)</b>	<b>\$26,028,947</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$217,459</b>	<b>(\$174,258)</b>	<b>(\$1,339,362)</b>	<b>(\$496,037)</b>	<b>\$0</b>	<b>(\$1,792,198)</b>

**Ann Arbor DDA  
Budgeted Revenues and Expenditures  
FY 2016**




	003 FY 2016 TIF	001 FY 2016 Housing	063 FY 2016 Parking	065 FY 2016 Parking Maint.	Adjustments	FY 2016 All Funds Combined
<b><u>Income</u></b>						
TIF Revenues	\$5,071,059					\$5,071,059
Parking Revenues			\$21,525,369			\$21,525,369
Transfers from Other Funds		\$300,000		\$3,615,884	(\$3,915,884)	\$0
Interest Income	\$3,500	\$299	\$13,688	\$14,483		\$31,970
Miscellaneous Income			\$110,000			\$110,000
<b>Total Income</b>	<b>\$5,074,559</b>	<b>\$300,299</b>	<b>\$21,649,057</b>	<b>\$3,630,367</b>	<b>(\$3,915,884)</b>	<b>\$26,738,398</b>
<b><u>Expenses</u></b>						
Parking Expenses						
Direct Parking Expenses			\$10,880,269			\$10,880,269
Utilities			\$640,672			\$640,672
Total Parking Expenses			<b>\$11,520,941</b>			<b>\$11,520,941</b>
Bond Payments & Interest	\$1,754,397		\$5,090,643			\$6,845,040
Capital Costs	\$771,666			\$4,979,250		\$5,750,916
Administration						
Salaries	\$188,000		\$188,000			\$376,000
Fringe Benefits	\$127,274		\$126,077			\$253,351
Administrative Expenses	\$179,171	\$2,080	\$99,376			\$280,627
Insurance	\$22,495		\$65,000			\$87,495
Contracted Services			\$150,000			\$150,000
Repairs and Maintenance	\$313,160			\$250,000		\$563,160
Total Administration	<b>\$830,100</b>	<b>\$2,080</b>	<b>\$628,452</b>	<b>\$250,000</b>		<b>\$1,710,633</b>
Professional Services						
Legal	\$27,319		\$6,010			\$33,329
Engineering	\$100,000		\$200,000	\$152,846		\$452,846
Professional Services	\$160,622		\$160,622	\$152,846		\$474,090
Studies	\$50,000		\$150,000			\$200,000
Total Professional Services	<b>\$337,941</b>		<b>\$516,632</b>	<b>\$305,692</b>		<b>\$1,160,265</b>
Interfund Transfers	\$300,000		\$3,615,884		(\$3,915,884)	\$0
General Grants	\$1,180,455	\$300,000	\$1,070,816			\$2,551,271
<b>Total Expenses</b>	<b>\$5,174,559</b>	<b>\$302,080</b>	<b>\$22,443,369</b>	<b>\$5,534,942</b>	<b>(\$3,915,884)</b>	<b>\$29,539,066</b>
<b>Excess of Revenues Over Expenses</b>	<b>(\$100,000)</b>	<b>(\$1,781)</b>	<b>(\$794,312)</b>	<b>(\$1,904,575)</b>	<b>\$0</b>	<b>(\$2,800,668)</b>

**Ann Arbor DDA  
Budgeted Revenues and Expenditures  
FY 2017**



	003 FY 2017 TIF	001 FY 2017 Housing	063 FY 2017 Parking	065 FY 2017 Parking Maint.	Adjustments	FY 2017 All Funds Combined
<b><u>Income</u></b>						
TIF Revenues	\$5,223,190					\$5,223,190
Parking Revenues			\$21,525,369			\$21,525,369
Transfers from Other Funds		\$300,000		\$2,437,744	(\$2,737,744)	\$0
Interest Income	\$3,750	\$290	\$6,701	\$4,960		\$15,701
Miscellaneous Income			\$110,000			\$110,000
<b>Total Income</b>	<b>\$5,226,940</b>	<b>\$300,290</b>	<b>\$21,642,070</b>	<b>\$2,442,704</b>	<b>(\$2,737,744)</b>	<b>\$26,874,260</b>
<b><u>Expenses</u></b>						
Parking Expenses						
Direct Parking Expenses			\$11,112,831			\$11,112,831
Utilities			\$659,892			\$659,892
Total Parking Expenses			<b>\$11,772,723</b>			<b>\$11,772,723</b>
Bond Payments & Interest	\$1,947,736		\$4,772,372			\$6,720,108
Capital Costs	\$659,873		\$0	\$1,951,973		\$2,611,846
Administration						
Salaries	\$218,100		\$218,100			\$436,200
Fringe Benefits	\$138,615		\$138,615			\$277,230
Administrative Expenses	\$179,223	\$2,163	\$102,357			\$283,743
Insurance	\$23,170		\$65,000			\$88,170
Contracted Services			\$150,000			\$150,000
Repairs and Maintenance	\$317,486			\$257,500		\$574,986
Total Administration	<b>\$876,594</b>	<b>\$2,163</b>	<b>\$674,072</b>	<b>\$257,500</b>		<b>\$1,810,329</b>
Professional Services						
Legal	\$28,138		\$6,190			\$34,328
Engineering	\$110,000		\$200,000	\$116,136		\$426,136
Professional Services	\$168,191		\$168,191	\$116,136		\$452,518
Studies	\$50,000		\$100,000			\$150,000
Total Professional Services	<b>\$356,329</b>		<b>\$474,381</b>	<b>\$232,272</b>		<b>\$1,062,982</b>
Interfund Transfers	\$300,000		\$2,437,744		(\$2,737,744)	
General Grants	\$1,086,408	\$100,000	\$1,162,657			\$2,349,065
<b>Total Expenses</b>	<b>\$5,226,940</b>	<b>\$102,163</b>	<b>\$21,293,949</b>	<b>\$2,441,745</b>	<b>(\$2,737,744)</b>	<b>\$26,327,053</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$0</b>	<b>\$198,127</b>	<b>\$348,121</b>	<b>\$959</b>	<b>\$0</b>	<b>\$547,207</b>



**Ann Arbor Downtown Development Authority  
Highlighted Project List  
(list developed at DDA retreat 012815)**

<p><b>N. 5th Ave /Detroit St Between Kingsley &amp; Catherine</b></p> <p>City CIP Project: Street reconstructions in 2018 and 2020. Historic District involvement needed.</p> 	<p>Repair damaged brick street &amp; install Beckett &amp; Raeder designed improvements. Partnership with the City, with the City managing the construction.</p> <p>Option 1: DDA contributes the cost of the brick to the city undertaking the street reconstruction.</p> <p>Option 2: DDA additionally undertakes pedestrian improvements: add sidewalk area, repair broken concrete sidewalks, trees, streetlights.</p>	<p>Option 1: Brick street only: \$1M</p> <p>Option 2: Full streetscape and improvements: \$2.8M</p>
<p><b>South University E.U. to Washtenaw</b></p> <p>Not yet in the CIP</p> 	<p>Increased pedestrian activity. Sidewalk repairs</p> <p>Option 1: Replace tree planters to regain sidewalk space &amp; replace pavers to address ponding/maintenance concerns.</p> <p>Option 2: Also undertake more extensive streetscape improvements including updated lighting and pedestrian crossings.</p>	<p>Option 1: \$1.3M</p> <p>Option 2: \$2.4M</p>
<p><b>Huron Street Chapin to State</b></p> <p>Not a City CIP project, but ranked very highly through process</p> 	<p>Build on earlier Albert Kahn schematic design. Project goals 1) Make east/west more pedestrian friendly by adding vertical elements to buffer from traffic (trees, lights w/banners), 2) Encourage crossings north/south using enhanced crosswalks, countdown signals, 3) Communicate community pride/identity with improved “tree-centric” appearance. Will require MDOT &amp; City approval.</p>	<p>Estimated project budget \$5.8M</p>



<p><b>S. State Street sidewalk expansion pilot project</b> City CIP Project: State St resurfacing 2019; sidewalk expansion could be timed to coincide.</p> 	<p>SSAA request to expand the west sidewalk on 300-block for cafes. Recommendation that a temporary expansion be explored to test the impact before pursuing project.</p> <p>Sidewalk expansion would involve relocating storm inlets, moving street lights, other furnishings. CIP: State St resurfacing 2019; if pursued, sidewalk expansion would be timed to coincide.</p>	<p>Pilot project \$60,000</p> <p>If successful, sidewalk expansion project cost: \$900,000</p>
<p><b>Ashley and First Streets conversion to two-way traffic</b></p> <p>Not yet in CIP</p> 	<p>The streets are two-way at either end, but were made one-way in the DDA in anticipation of a freeway bypass that was never built (Beakes Bypass). A decade after a successful traffic transition in the State Street area, a similar traffic transition on these streets could help make them true retail and mixed use streets - friendlier to residents, businesses, and bicycles.</p> <p>Option 1: Focus on traffic conversion and minimal improvements to achieve two-way traffic (traffic signal changes and safety improvements to the rail road crossing).</p> <p>Option 2: Project could also include new street lights corner bulb-outs/improved pedestrian crossings, bicycle infrastructure, and buried overhead lines on 100 N First.</p>	<p>Option 1: \$2M to \$4M. Focuses on traffic conversion, with major cost associated with traffic signal changes and safety improvements to the rail road crossings.</p> <p>Option 2: \$9.3M. Would also include new street lights, burying utility lines, and improved pedestrian crossings.</p>

Also, DDA consensus for upcoming budgets:

<p>Sidewalk repairs, crosswalks, and tree maintenance (including tree planting &amp; wayfinding updates)</p>	<p>\$200,000</p>
<p>Studies (e.g. traffic counts, light studies)</p>	<p>\$50,000</p>
<p>Conduits, water mains (when streets are reconstructed)</p>	<p>\$50,000</p>



## DDA Projects Paid For Using TIF

Year	Project
1982	Detroit Street/Farmer's Market Improvements
1982	Liberty Street and South Fourth Avenue improvements
1982	Forest parking structure repairs
1984	Liberty Square construction
1984	4th & Washington repairs
1984	Farmer's Market repairs, including parking lot repairs
1985	Ann Ashley construction
1986	Downtown Model
1988	Grant for the downtown Handbook Project
1988	Seed Grant for the Historical Street Exhibit Program
1988	Downtown Event Center feasibility study & task force support
1988	4th/Washington, Forest & Maynard structure repairs
1989	Main Street Improvements
1989	South University Improvements
1989	Kline's parking structure land purchase and design
1989	4th & William parking structure repairs
1989-90	Library lot task force support and study funding
1990	Liberty Street and South Fourth Avenue improvements
1990	Downtown Pedestrian Improvements Plan
1991	William & Liberty Alley resurfacing
1991	Additional 4th & William repairs & expansion
1992	Ann Arbor Inn feasibility study
1992	Parking/housing report
1993	Detroit Street/Sculpture Plaza Improvements, incl. lights
1995	Kerrytown area street light installations
1995	Baker Commons landscaping & pedestrian improvements
1995	State/Liberty Brick paver and street light repairs
1995	South Forest parking structure evaluation & potential uses study
1995	Strategic planning study
1996, 99	Sculpture Plaza seating, table, and umbrella purchases
1996-14	Grants to sponsor Downtown Associations, Council, Planning Commission to attend IDA Conference
1997-08	Annual downtown walk through by city staff/sponsorship
1998	E. Liberty/E. Washington tree well re-bricking
1998	N.U. and Thayer Tree planter repair
1998	South Forest retail opportunities study
1999	Grant to Avalon for affordable housing
1999	Grant to LISC for affordable housing
1999	Grant to the Michigan Theater for historic façade restoration

1999	Grant to downtown associations for Holiday TV ad campaign
1999	State Street Area study
1999	Grant for Ashley Mews in support of pedestrian improvements
2000	Two-way traffic analysis in the State St Area
2000	Grant to LISC for affordable housing
2000	Grant for improvements to Courthouse Square affordable housing
2000-03	State Street Area Improvements Project
2000-01	Grants for IT Zone infrastructure enhancements
2001	Grant to LISC for affordable housing
2001	Grant to Dawn Farm for affordable housing
2001	Grant to the Chamber for an affordable housing effort
2001	E. Liberty/E. Washington tree well repairs
2001	Grant to enable an electrical transformer in downtown alley
2001	South University Area study
2001-02	Fourth Avenue sidewalk repairs and enhancements
2002	Grant to Hands On Museum to assist with historic building repairs
2002	Grant for improvements to Courthouse Square affordable housing
2002	Grant to the Chamber for an affordable housing effort
2002	Grant to Washtenaw Housing Alliance/Delonis Center street lighting
2002-15	Downtown Spring Cleanup, including purchase of flowers, mulch, etc.
2003	Liberty Plaza Park repairs and enhancements
2003	E.U./Church/Forest sidewalk repairs and enhancements
2003	Grant to create Downtown website
2003	Bike/Ped Study in the State Street Area
2003	Loan to Goodyear Building for historic façade repair
2003	Loan to Schwaben Building for historic façade repair
2003	Grant for affordable housing at Ashley Mews
2003	Grant for an affordable housing coordinator pilot
2004	E. Ann St. pedestrian improvements & street light installations
2004	Grant to A2 Art Center - banner brackets for downtown light poles
2004	Grant to Ann Arbor Commission on Disability Issues for TDD/TTY Equipment
2004	Grant to Citizens Advisory Council for Downtown Resident Handbooks
2004	Grant to the city's Kempf House - Bldg assessment & Interior renovations
2004	Grant for a City planner to pursue changes to downtown zoning
2004	Grant to the YMCA for pedestrian improvements
2004	Grant to the Chamber of Commerce for an Art Economic Impact Study
2004	City's Non-motorized Transportation Master Plan funding
2004	Alley assessment & repairs
2004	Corridor Design Plan for Huron, 5th, & Division/urban workbook
2004	Grant for Kingsley Lane Project in support of affordable housing
2004	Loan to Wuerth Building for historic façade repair
2004	Loan to building located at 420 W. Huron for historic façade renovation
2004-05	Grant to the City toward the cost of downtown tree replacements due to emerald ash borer

2004 -15	Annual grant for holiday light installation
2005	N. 5th Avenue sidewalk repairs
2005	State Street area improvements
2005	Washington Street brick & tree pit repairs (between 5th & Ashley)
2005	Grant to the Farmers Market for improvements and repair
2005	Grant to Local Economy Network for a directory of locally-owned businesses
2005	Grants to Downtown Association for pedestrian improvements
2005	Grant to the City for the Calthorpe Downtown Development Strategies Project
2005	Grant to Liberty Lofts in support of pedestrian and infrastructure elements
2005	Loan to 110-112 S. Main St. (Mayer Shairer) for historic façade renovation
2005-08	Downtown alley repairs & improvements
2005-08	Huron Street improvement plan developed
2005-10	Fifth & Division Phase I Improvements designed and constructed
2006	Grant to the Michigan Theater -Cool Cities grant match
2006	Grant to assist with the relocation of The Neutral Zone teen center to downtown
2006	Grant for the Allen Creek Greenway Taskforce
2006	Municipal Office Location & Configuration Study - Grant to the City
2006	County-wide housing needs assessment
2006-08	Sculpture Plaza repair & improvements
2006-10	Wayfinding signage system designed, fabricated and installed
2007	1st & Washington Alley restoration
2007	Grant to the Hands On Museum for renovation & enhancement of facilities
2007	Grant to the City for installation of LED street lights throughout the DDA District
2007	Grant for a pilot program to provide sidewalk recycling containers for the Main St Area
2007	Grant to the City for Downtown sanitary sewer flow monitoring and capacity analysis
2007	Pedestrian & bicycle safety study in the State St. area
2007	Sidewalk repairs, and blight reduction including painting street light poles, weeds in the planters
2007	Grant for project at 200 S. Ashley St in support of sustainable building elements
2007	Loan for 300 S. State St. building historic façade restoration
2007	Grant to Dawn Farm for affordable housing
2007-08	Grant to the City for installation solar-electric system at the Farmers Market
2007-10	Sidewalk curb ramp replacements
2008	Grant to the City: demo YMCA bldg, grading, installation of a temporary parking lot
2008	Grant to Think local First - Buy Local Week Campaign for Downtown Businesses
2008	Grant to the City in support of a new Court/Police Building
2008	Grant to the City to certify the new Courts Police Building to LEED
2008	Grants to Avalon: 426 S. 1st, 819 S. 3rd, 520 & 522 S. Division affordable housing
2008-13	Downtown Energy Saving Grants program energy audits and grants for improvements
2008	Development of a 1% for the arts set aside program to mirror the City's program
2008	Grant to the Ann Arbor Art Fair's for Patron Survey
2008	Grant to Retro Development for fire hydrant and water main expansion on Main St
2008	Sidewalk repairs
2008-13	Library Lane Planning and Construction

2009	Sidewalk recycling containers purchase & installation
2009	Grant to Downtown Area Associations
2009	Grant to Avalon 201 W. William
2009	Grant to support the creation of a BIZ on S. Main Street
2009	Grant to support downtown performing arts venues
2009-11	Expanded & new water mains Division Street, S. Fifth Avenue, and Library Lane
2010	Brownfield Grant to Zingerman's Deli for expansion
2010	Grant to Avalon for affordable housing
2010	Grant to Delonis Center
2012	Sidewalk trash containers for South University
2012	Sidewalk repairs, blight reduction incl painting street light poles, weeds
2013	Grant on behalf of the State St Area Association to bury an overhead electrical line
2013	Baker Commons Energy Savings
2013	Tree trimming and sidewalk repairs, blight reduction
2013	Grant to Ann Arbor Housing Commission - Baker Commons roof replacement
2013	Grant to Dawn Farm for affordable housing
2013-15	Art Fair trolley grant
2013-14	Main St street light replacement
2013-15	Neutral Zone Mural Grants / anti-graffiti
2013-15	Traffic signal box art project in partnership with Arts Alliance (pilot)
2014-16	Grant to Ann Arbor Housing Commission - Baker Commons and Miller Manor
2014	Tree trimming and sidewalk repairs, weed abatement
2014	Support for Development of BIZ in S. University area
2014	Coleman Jewett Public Art Comm grant
2014	Grant to City Apartments for affordable housing units
2014-15	Grant to Washtenaw County for improvements to the Annex Bldg
2014-15	Development of Downtown Streetscape Framework Plan
2015	Library sidewalk on S. Fifth Ave
2015	Sidewalk repairs and tree maintenance
2015	Grant for Washtenaw County Affordable Housing Needs Assessment
2015	Grant to Delonis Center for cameras
2015	116-120 W. Huron St grant for water main, streetscape
2015	318 W. Liberty Partnership grant for water main
2015	618 S. Main Brownfield grant for water main, streetscape and rainwater infiltration

Fiscal Year 2014 City Parking Revenue Payment Totals

Facility	Revenue	Rent/Taxes	Net Revenue	17% of Net Revenues
1st & Washington Revenue	\$401,397.46		\$401,397.46	\$68,237.57
Maynard Parking Revenue	\$2,533,343.99		\$2,533,343.99	\$430,668.48
4th & Washington Parking Revenue	\$947,582.07		\$947,582.07	\$161,088.95
Forest Avenue Parking Revenue	\$1,421,200.67		\$1,421,200.67	\$241,604.11
4th & William Parking Revenue	\$2,563,257.16		\$2,563,257.16	\$435,753.72
Liberty Square Parking Revenue	\$1,799,222.21		\$1,799,222.21	\$305,867.78
Ann Ashley Parking Revenue	\$1,988,202.22		\$1,988,202.22	\$337,994.38
Library Lane Parking Revenue	\$1,444,021.78		\$1,444,021.78	\$245,483.70
Kline Lot Parking Revenue	\$632,160.45		\$632,160.45	\$107,467.28
1st & Huron Parking Revenue	\$905,332.81	\$416,680.22	\$488,652.59	\$83,070.94
5th & Huron Parking Revenue	\$118,121.91	\$44,271.88	\$73,850.03	\$12,554.51
1st & William Parking Revenue	\$137,935.27		\$137,935.27	\$23,449.00
415 W. Washington	\$207,757.71		\$207,757.71	\$35,318.81
Fifth & William	\$98,300.10	\$50,878.87	\$47,421.23	\$8,061.61
Parking Meter Revenue	\$3,420,225.30	\$64,843.71	\$3,355,381.59	\$570,414.87
Farmer's Market	\$84,490.01		\$84,490.01	\$14,363.30
Meter Bag Revenue	\$990,325.85		\$990,325.85	\$168,355.39
	\$19,692,876.97	\$576,674.68	\$19,116,202.29	\$3,249,754.39



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Jennifer Hall, Executive Director, Ann Arbor Housing Commission

CC: Steven D. Powers, City Administrator

SUBJECT: Ann Arbor Housing Commission

DATE: March 20, 2015

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**Question:** Can the AAHC provide a refresher on where they are at in property conversions; summer construction plans, etc.? (Councilmember Briere)

**Response:** Attached.

**Question:** Can you clarify the City GF recurring subsidy line item– change from \$365K in FY16 to \$345K in FY17? (Councilmember Lumm)

**Response:** The 2-pager shows a \$20,000 request in FY16 and no request for FY17. However, the AAHC is removing the request for \$20,000 for the public housing cost center because those funds will be covered by the public housing fund balance. Any fund balance in public housing that is left when the very last public housing property is left, will get transferred over to the affordable housing cost center with that last property and will be used for redevelopment. (see attached revised budget impact sheet)

## **Ann Arbor Housing Commission Update March 2015**

2014 has been a busy year with an incredible amount of change at the AAHC. Thank you to everyone who has supported us throughout this process. It is truly a community effort. Keep an eye out for a community open house at some of our sites when renovations are completed. The AAHC is redeveloping 100% of its 354 public housing units over the next three to four years. The AAHC hopes to increase its housing stock by 50-70 apartments by 2019, with 80-100 apartments reserved for homeless and other special needs households. The total cost to redevelop all of these apartments is expected to exceed \$60 million.

### **ACCOMPLISHMENTS SINCE 2013**

#### **Agency**

- Out of troubled status
  - If designated as troubled by HUD, precluded from applying for new federal funding
- Clean financial audit
- Created 501c3 nonprofit
- Revised all policies and procedures – over 1000 pages
- Technology improvements
  - Mobile Maintenance – maintenance technicians have mobile work order tracking system
  - Mobile Housing Quality Standard Inspections – housing inspections of private landlord apartments for voucher programs done on mobile systems
  - Direct deposit to all landlords and vendors to reduce check printing and mailing costs
  - Added wifi in three of our buildings
  - Ecobee digital thermostats installed at Baker Commons which can be monitored and maintained on-line by staff

#### **Properties**

- Rental Assistance Demonstration (RAD) program
  - One of 10 agencies in the USA to be approved to convert 100% of public housing to project-based vouchers
  - Secured Funding for 327 apartment renovations/new construction resulting in 26 new apartments. These funds are for development costs only, not operations.

Low Income Housing Tax Credits	\$30,261,388
City AAHTF & Sewer Funds & Energy grant	\$1,697,490
A2 DDA	\$1,160,000
County CDBG & CCPG	\$1,078,767
Federal Home Loan Bank	\$1,000,000
Mortgage Loan	\$3,862,500
<b>TOTAL for Redevelopment</b>	<b>\$39,060,145</b>
Pending FHLB applications	\$1,370,000

- Hired security officers to monitor six properties
- Preventative Maintenance now routinely completed



- Air duct cleaning all properties
- Furnace clean and checks once a year all properties with filter replacement twice a year
- Sewer scoping and cleaning
- Fire alarm safety
- Air conditioner coil clean every spring
- Check for proper drainage away from buildings
- Vehicles on a regular maintenance schedule
- Unit turns
  - Reduced the time to turn a unit so it can be re-occupied by 75%.
  - Reduced vacancy rate to less than 3%

### ***Voucher Programs***

- Voucher utilization
  - Leasing up 100% of our voucher capacity
  - 75% of vouchers are leased up within 60 days
  - 108 households voluntarily gave up their voucher or were over-income in past 2 years
- 72 additional vouchers for Homeless Veterans for a total of 212
- 6 voucher tenants have converted their voucher to a homeowner voucher from a rental voucher

### ***Tenant Services***

- New funding for tenant services
  - Approx. \$450,000 Continuum of Care – annually renewable for services to chronically homeless households in partnership with Avalon, Legal Services, Child Care Network, Ozone House and Community Development
    - To enable 24/7 services at Miller Manor
    - To support 16 families at family sites
  - \$69,000 annually renewable Family Self Sufficiency Grant to assist tenants get jobs
  - Approx. \$80,000 Social Innovations Fund Grant – to provide services to 40 chronically homeless AAHC residents that are high users of medical emergency services, in partnership with Catholic Social Services, Avalon, Shelter Association, U-M Hospital, St. Joseph Hospital, Packard Clinic, Washtenaw Health Plan, Community Support and Treatment Services, Washtenaw County Health Organization, Washtenaw Housing Alliance, Veterans Affairs Medical Center, and Huron Valley Ambulance
  - \$7,160 to work with tenants to quit smoking in preparation for smoke-free buildings
- Hired over 20 tenants as contract workers to do landscaping, recycling, help disabled tenants pack their belongings, clean-out apartments, serve meals to other residents, translate for households who do not speak English, and clean-up trash on properties.

### ***New Community Partnerships to Expand Capacity and Resources***

- EMU Construction Management Program has built 3 pavilions on properties
- Arts Alliance is working with tenants on community art and design projects at two new construction sites
- Ecology Center developed green and energy efficiency construction guidelines for new construction projects and overseeing implementation
- Avalon is now the lead coordinating service provider at AAHC properties and they are providing direct tenants services as well as providing redevelopment consulting

- Skyline High School Communications Class creating a video on healthy homes for residents
- U-M School of Business developing community solar plan to install solar at properties
- City Energy Office technical assistance and funding for energy upgrades and created videos and pamphlets for tenants on how to save energy
- Parks Dept Volunteer Day organized by City Parks staff to clean-up AAHC properties
- Housing Access of Washtenaw County providing homeless intake and assessment for homeless tenants and partnership to access funding for tenants who were relocated
- Barrier Busters participation in order to advocate for tenant resources
- Dental Clinic tenant workshop at AAHC properties
- Washtenaw County Health Department Smoke Free Initiative consulting provided
- Michigan Ability Partners providing relocation assistance to our tenants
- Ypsilanti Housing Commission – we are assisting them with their relocation needs

***Population served by the AAHC compared to the City of Ann Arbor***

Characteristic	AAHC housing	Percent	Characteristic	City of Ann Arbor	Percent
Number of Households	1,423		Number of Households	45,996	
Number of People	3,507		Number of People	113,946	
White Head of Household	392	28%	White Head of Household	33,577	73%
Black HH	1007	71%	Black HH	3,220	7%
Other or Mixed Race HH	24	2%	Other or Mixed Race HH	8,417	18%
Hispanic HH	27	2%	Hispanic HH	1,840	4%
Households with at least one member with a disability	437	31%	People with disability under age 65	1,886	4%
Elderly (62 or older) HH only	204	14%	Total number of Elderly (65 and older)	4,278	9%
Children under 17	1,559	44%	Children under 17	6,623	14%
Female HH	1,072	75%			
Income \$0 to \$9,999	686	48%	Below Poverty	10,165	22%
\$10K to \$19,999	482	34%			
\$20K to \$29,999	177	12%			
Over \$30,000	78	5%	Median Household Income	\$55,003	
Average Rent Subsidy	\$528.24		Median Gross Rent	\$1,008	

\*2010 Census Data and AAHC database (125 AAHC property vacancies due to renovations)

***Housing Commission is an Integral Partner to Accomplish Community Goals around Affordable Housing***

- Construction of new affordable housing apartments in Ann Arbor (over 50 by 2018)

- Issued a Request for Proposal to Project-base vouchers at private landlord apartments in the City of Ann Arbor only that agree to serve special needs and homeless populations. The Housing Commission can spend 20% of its budget authority on project-based vouchers
- Miller 24 hour front door – replacement for YMCA
- Homeless and special needs set aside in existing and new AAHC apartments
- Increased the payment standard for voucher program in Ann Arbor City only in order to increase voucher usage in Ann Arbor city limits
- Administrator of Continuum of Care Funds for 10 non-profit housing and human service providers
- Partner with Washtenaw Housing Alliance on federal Zero 2016 Initiative to end veteran homelessness

## ***Redevelopment Updates of Specific Properties***

### **Phase I**

The first phase is under construction and is expected to be completed by October 2015. Phase I is a \$30 million redevelopment which included funding from Low-Income Housing Tax Credits (LIHTC), City of Ann Arbor, Ann Arbor Downtown Development Authority, County CDBG and Federal Home Loan Bank (FHLB) funds.

In order to renovate the apartments, all of the residents must be relocated. 66 households decided to use a Section 8 voucher and the rest have been moved internally to other AAHC apartments.

Among the following 5 properties, the AAHC has committed to housing 45 chronically homeless single adults, 6 chronically homeless families, 9 homeless households of any size, 15 chronically homeless veterans, and 63 special needs households. The AAHC will be working with HAWC and local services providers to identify these households. All of the apartments are limited to zero income to 50% AMI households.

### **Miller Manor:**

- 106 apartments post-construction (101 1-bedroom, 5 2-bedroom)
- Most of the chronically homeless households will be housed at Miller, including the 15 chronically homeless veterans.
- 24-hour front desk coverage with on-site services provided by Avalon, CSTS, CSS and the VA
- Services provided by funding from the Continuum of Care, VA, CSTS, FUSE and the City
- AAHC maintenance has been relocated to S. Industrial to convert the maintenance space into offices for on-site property management and services.
- The AAHC administrative offices will be moved to Miller after renovations are completed
- 6<sup>th</sup> – 7<sup>th</sup> floor renovations completed
- Approximately 50 apartments will be available between March and June 2015 for new residents.
- Renovations include mechanical upgrades to heating and cooling systems, plumbing, electrical , security cameras and new elevators. Unit upgrades include flooring, lighting, sinks, faucets, appliances, cabinets, toilets and doors. A rooftop solar electric system will also be added.
- Public wi-fi, a commercial kitchen, and an art room will be available for residents as well as an outdoor pavilion built by EMU construction students for smokers.

### **Baker Commons:**

- 64 apartments (all 1-bedroom)
- Services provided on-site by CSTS
- 3<sup>rd</sup> through 5<sup>th</sup> floor renovations completed
- Approximately 18 apartments will be available between March and May 2015 for new residents.
- Renovations include mechanical upgrades to heating and cooling systems, plumbing, electrical , generator, security cameras and new elevators. Unit upgrades include flooring, lighting, sinks, faucets, appliances, cabinets, toilets and doors.
- Public wi-fi, and a commercial kitchen are available for residents.

**Hikone:**

- 29 townhome apartments (ten 2-bedroom, fourteen 3-bedroom, five 4-bedroom)
- Services provided on-site by CSTS and CAN
- Building renovations include roofing, exterior lighting and siding, Unit upgrades include insulation, flooring, lighting, sinks, faucets, appliances, cabinets, toilets, plumbing, electrical, doors and the addition of air conditioning
- Rain gardens, public wi-fi and security cameras will also be added
- An on-site Community Center is available to residents including summer and after-school youth programming.
- Construction starting in April 2015
- Approximately 22 apartments will be available for new residents by July 2015

**Maple Meadows (S. Maple):**

- 29 townhome apartments (ten 2-bedroom, fourteen 3-bedroom, five 4-bedroom)
- Services provided on-site by CSTS, Avalon and Peace
- Building renovations include roofing, exterior lighting and siding, Unit upgrades include insulation, flooring, lighting, sinks, faucets, appliances, cabinets, toilets, plumbing, electrical, doors and the addition of air conditioning
- An on-site Community Center is available to residents including summer and after-school youth programming.
- Approximately 10 apartments will be available for new residents by September 2015

**Green-Baxter Court**

- 23 townhome apartments (eight 2-bedroom, eleven 3-bedroom, four 4-bedroom)
- Services provided on-site by CSTS and CAN
- Building renovations include roofing, exterior lighting and siding, Unit upgrades include insulation, flooring, lighting, sinks, faucets, appliances, cabinets, toilets, plumbing, electrical, doors and the addition of air conditioning
- An on-site Community Center is available to residents including summer and after-school youth programming.
- A new building will replace the 6 apartments that burned down in January 2014. All of these apartments will be visitable – with a no-step entrance, and a first floor bedroom and bathroom.
- Approximately 7 apartments will be available for new residents by October 2015

**Phase 2**

Phase 2 was awarded Low Income Housing Tax Credits (LIHTC) from MSHDA, the County allocated Community Challenge Planning Grant funds and the City allocated Ann Arbor Housing Trust Funds as

well as Sewer funds to the project. We are in the process of securing the remaining funds needed to fill the gap for this \$12.5 million project. Nineteen apartments will be demolished and four apartments will be renovated. All of the residents living in apartments that will be demolished will need to be relocated to other AAHC properties or with Section 8 vouchers during construction. Demolition and construction will begin in the summer of 2015 and will be completed by 2017.

#### **North Maple Estates & North Maple Duplexes**

- Currently has 23 apartments (four 3-bedroom, ten 4-bedroom, and nine 5-bedroom)
- New project includes 46 apartments (eight 1-bedroom, four 2-bedroom, twelve 3-bedroom, twelve 4-bedroom, and ten 5-bedroom apartments)
- 25% of the apartments will be set aside for homeless and special needs households
- Income limited to 60% AMI or less
- All of the apartments will be highly energy efficient
- Six apartments will be included in a demonstration project to showcase and test super-green targets in energy efficiency, low-toxicity and durability.
- The goal for the community center is to develop it so that it is minimally dependent on the power grid so that it is available as an emergency warming and cooling center.
- We are working with the Arts Alliance to engage existing residents and neighbors to include community driven art and design into the development.
- Services will be provided by Peace, CSTS and Avalon
- 38 of the apartments will be visitable and 7 (15%) of the apartments will be barrier free

#### **Phase 3**

Phase 3 includes all of the small scattered AAHC properties that are not large enough to be funded with tax credits. This project is a \$1.5 million redevelopment and will be funded with CDBG, FHLB, and AAHC funds. Renovation of these properties will be completed in 2015.

- 30 apartments at 6 locations
- Three 5-bedroom apartments on Oakwood
- Six 3-bedroom apartments on N. Main
- Six 3-bedroom apartments on Pennsylvania
- Eight 1-bedroom apartments on S. Seventh
- Two 1-bedroom apartments on W. Washington
- Five apartments on Platt (one 1-bedroom, two 2-bedroom, two 3-bedroom, one 4-bedroom)

#### **Phase 4**

Phase 5 includes the demolition and new construction of two properties. Platt Road recently received site plan approval from City Council and the next stage is to secure all the funding needed for this \$8.5 million project. White/State/Henry has started the site plan approval process. The AAHC will be applying for LIHTC in October 2015 and if awarded, construction will begin in 2016 and completed by 2018.

#### **Platt Road**

- Site currently includes 6 apartments (two 2-bedroom, four 5-bedroom)
- New project includes 32 apartments (eight 1-bedroom, twelve 2-bedroom, six 3-bedroom, two 4-bedroom, and four 5-bedroom apartments)

- Income limited to 60% AMI or less
- All of the apartments will be highly energy efficient
- All of the apartments are north/south facing so that they are solar-ready.
- The goal for the community center is to develop it so that it is minimally dependent on the power grid so that it is available as an emergency warming and cooling center.
- We are working with the Arts Alliance to engage existing residents and neighbors to include community driven art and design into the development.
- 22 of the apartments will be visitable and 7 of the apartments will be barrier free

#### **White/State/Henry**

- Site currently includes 28 apartments (fourteen 1-bedroom, fourteen 2-bedroom)
- New project will include 32 apartments (twenty-four 1-bedroom, eight 2-bedroom apartments)
- Income limited to 60% AMI or less
- All of the apartments will be highly energy efficient
- A property management and service office will be added on site
- All of the apartments with first floor entry will be visitable and our target is for at least 15% to be barrier free

#### **Phase 5**

Phase 5 includes the demolition and new construction of our final project. The AAHC will be applying for LIHTC in April or October 2016 and if awarded, construction will begin in 2017 and completed by 2019.

#### **Broadway**

- Site currently includes 20 apartments (twenty 1-bedroom)
- New project includes 16-20 apartments (primarily 1-bedroom)
- Due to site constraints (slope, shape, set-backs) the number of apartments may need to be reduced
- All of the apartments will be highly energy efficient
- An office will be added on site

City of Ann Arbor  
**BUDGET IMPACT ANALYSIS**

SERVICE AREA:

Housing Commission

SERVICE UNIT:

Housing Commission

	FY2015	FY2016	FY2017
	BUDGET for Ongoing Operations	Targeted Expenditures*	Targeted Expenditures*
	\$ 400,694	\$ 386,285	\$ 291,776

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017
Public Housing	0010	General Fund support for the RAD (Rental Assistance Demonstration program) is lower than the original projection of \$94k in FY2016 and \$0 in FY2017).	\$ (94,000)	\$ -
Public Housing - Supportive Services	0010	Dis-continue support for Baker Commons food services - now funded by AAA1B/ County	\$ (4,500)	\$ (4,500)
Public Housing - Supportive Services	0010	RAD conversion has made ineligible the previous annual use of \$65k in HUD capital grant funds to supplement the City's existing \$60k for supportive services. This request increases the City's \$60k funding to \$120k annual funding to replace the HUD grant funds.	\$ 65,000	\$ 65,000
Public Housing - Supportive Services	0010	Increase contract with PEACE from \$35k to \$50k annually to provide supportive services at North Maple where the number of family tenants is increasing from 23 to 46.	\$ 15,000	\$ 15,000
Section 8 (Choice Voucher Program)	0010	HUD funding has dropped to 79% of eligible expenditures and is determined annually. The Housing Commission needs 95% (or higher) to meet the cost of administering the program. This request is for the the General Fund to the portion of eligible expenditures that HUD does not.	\$ 105,000	\$ 105,000
Public/Affordable Housing & Vouchers	0010	Pay for software, utilities, and other operating expenses in the Voucher (Section 8) program & Central Office area in order to free up other funding to pay for a wage scale adjustment	\$ 100,000	\$ 100,000
Note: The budget in FY2015 and the target in FY2016 include non-recurring expenditures of \$209,000 in FY2015 and \$94,000 in FY2016 for the RAD conversion.				

<b>TOTAL DOLLAR IMPACT IDENTIFIED</b>	<b>\$ 186,500</b>	<b>\$ 280,500</b>
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\* These numbers for General Fund should come from the General Fund Target sheet.

NOTE:

		Total Budget	\$ 572,785	\$ 572,276
Information Technology	0010	The City's Gen. Fund is paying the following IT expenditures included above.	\$ 127,194	\$ 227,785
			\$ 227,276	

Strategic Plan Goal # (if applicable)-see key to the right

Sustainability Framework # (if applicable)- see key to the right

6	5
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