



**Open House West Arbor – Ribbon Running**

# AAHC Services

**01**

Affordable Housing Properties

**17 properties in the City of Ann Arbor**

**548 apartments**

**02**

Voucher Programs

**2,089 Vouchers**

**03**

Family Self-Sufficiency & Homeownership Programs

**99 – 130 FSS participants**

**9 Homeowners**

**04**

Finance and Administration

**\$24 Million Budget**

**35 Staff**

# Ann Arbor Housing Commission (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Housing is available for all levels of income, especially for supportive affordable housing	<ul style="list-style-type: none"><li>• By 2026 add 980 units of new affordable housing (60% AMI or under) in Ann Arbor.</li><li>• By 2024, develop a plan to ensure long-term funding for tenant social services.</li></ul>

# COVID-19 AAHC OPERATIONAL IMPACT

- Offices are closed to the public, in-person by appointment only
- All AAHC staff are working part-time from home except maintenance
  - Maintenance responding to all work orders
- New on-line tenant portal
  - Tenants download AAHC forms & upload family and income source documentation
  - On-line payments (testing in Feb 2021)
- CDC stay on evictions extended to March 31, 2021
  - \$67,726 as of Jan 2021 back-owed rent owed by AAHC tenants
  - \$58,393 (in comparison) Jan 2020 back-owed rent
- HUD implemented major regulatory concessions

# CITY FY20 COVID FUNDING

- \$200,000 in April 2020
- City will be submitting a FEMA reimbursement application
- If FEMA does not reimburse:
  - AAHC will reduce FY21 general fund draw by \$66,667 out of \$160,000 allocated in budget
  - AAHC will reduce FY22 general fund request by \$70,000 to \$90,000
  - AAHC will reduce FY23 general fund request by \$70,000 to \$90,000
  - TOTAL of \$206,667

# FY21 HUD FUNDING RELATED TO COVID

- Additional funding from CARES Act received in FY21
  - Voucher program
  - Must be expended by 12/31/2021
  - \$566,570 Flexible Administrative Fees
    - Cannot be used to reimburse City COVID funds expended in FY20
  - \$1,550,362 for Rent Subsidies
    - Equivalent of approximately 167 families for 1 year
    - In reality, half of the funding covered an \$800,000 shortfall in HUD funding for CY20
    - Balance is paying for increase in rent subsidies due to tenant loss of income
- NEW Specialty Vouchers Awarded from HUD in FY21
  - Received an Additional 116 Vouchers for Non-Elderly Disabled Households

# EVICTIION PREVENTION

- AAHC pro-actively contacted tenants to complete interim income certifications due to job losses and income reductions
- Contracts with SOS, Avalon, CAN, PNC
  - Funded with County Mental Health Millage
  - Eviction Prevention
  - Case Management
  - Mental Health Services
- Referring tenants to
  - Housing Access Washtenaw County
  - Legal Services South Central Michigan
  - Barrier Busters
  - No late fees, reduce 10% rent when access state/federal funds

# INCREASE SUCCESSFUL HOUSING ACCESS

- AAHC paying for security deposits & application fees
  - New tenants off waitlist
  - Emergency tenant moves for reasonable accommodations
  - Emergency tenants moves Violence Against Women Act (VAWA)
- AAHC paying for furniture for new move-ins homeless households
- Paid tenant damages to private landlords we are trying to keep in the voucher program

# AAHC PROPERTIES

- INCREASED BUILDING SECURITY
  - Miller Manor
  - Baker Commons
- INCREASED CLEANING COMMON AREAS
- PPE FOR STAFF AND TENANTS
  - Air purifiers in common areas
  - Plexi-glass shields for community centers youth tutoring
- FOOD SECURITY
  - Coordinating with AAPS, Food Gatherers, Peace, CAN, and Avalon
- EDUCATIONAL ASSISTANCE
  - Continued after school programming
  - Notebooks and wi-fi in community centers for remote learning



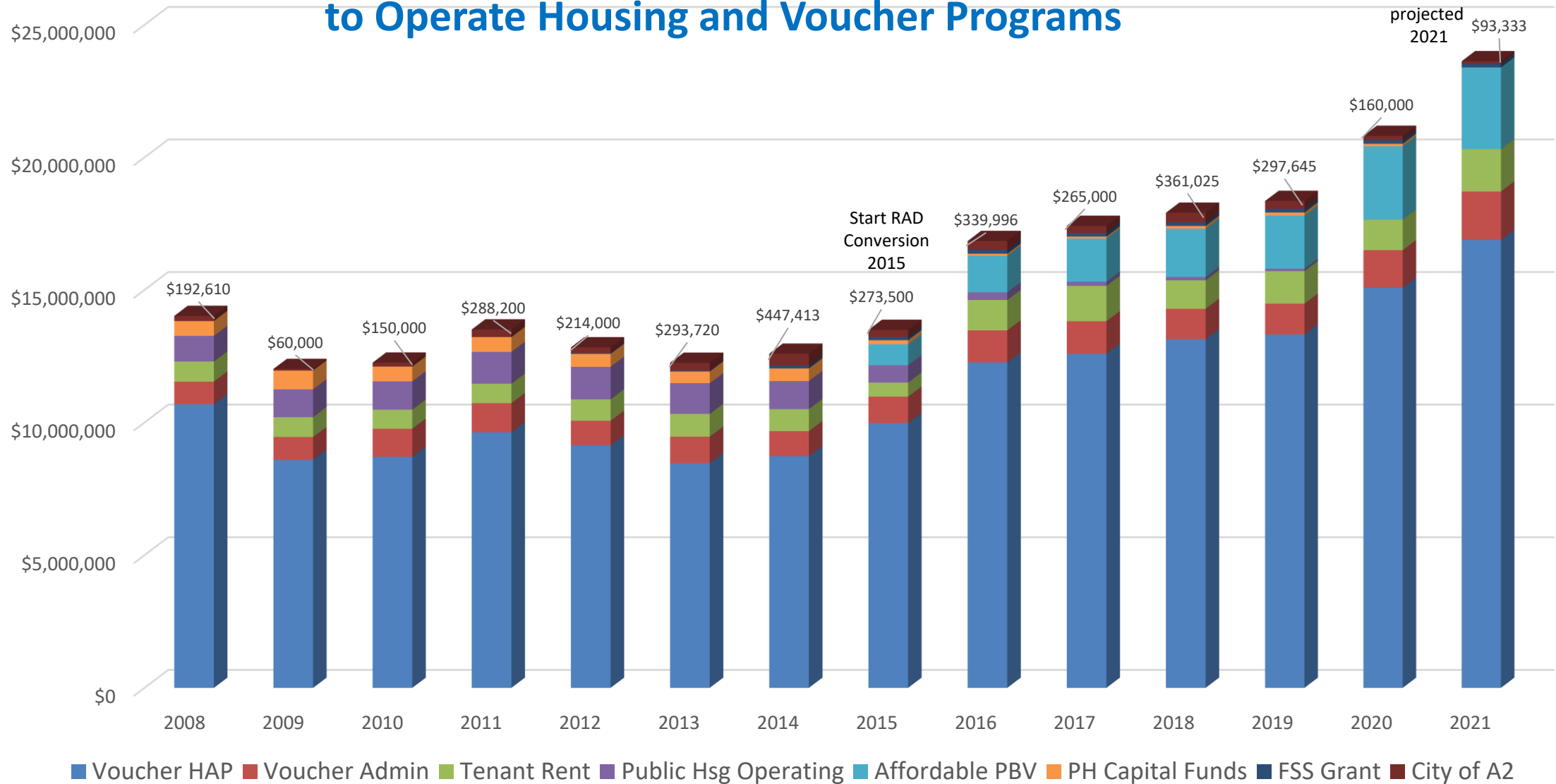
# COVID-19 Positive Tenants

- TENANTS DIAGNOSED WITH COVID-19
  - 2 tenants at family townhome sites
  - 3 tenants at mid-rises
  - Coordinate with County Health Dept and on-site service provider
    - Provide Family Support
      - House non-COVID family members at hotel
      - Food
      - Medicine
      - Basic hygiene items
    - Packard Health Clinic providing medical assistance at Baker & Miller

# WAITLIST

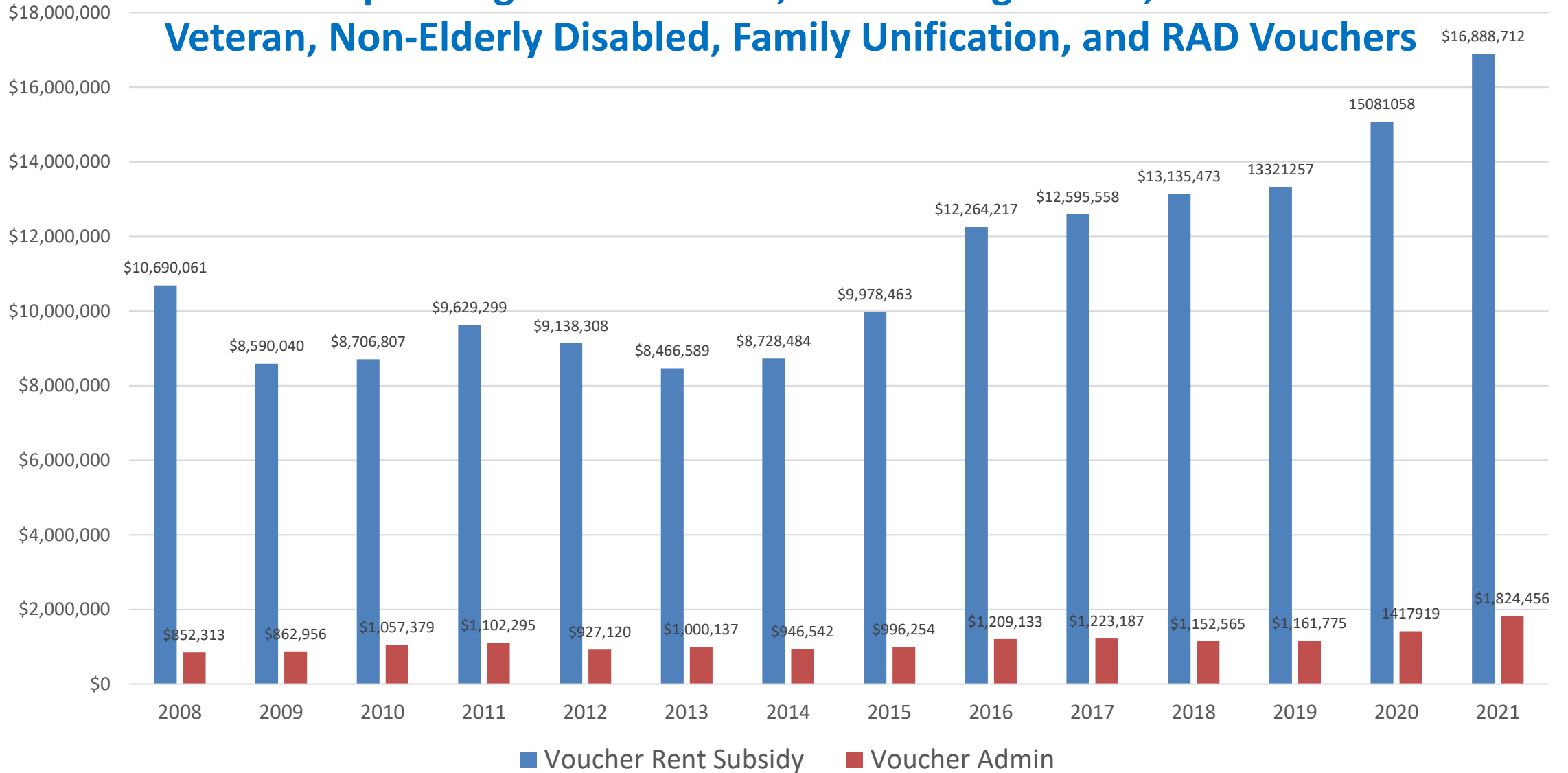
- AAHC continuing to pull people from waitlist and house new tenant
- Opened from Aug 1 to Aug 30<sup>th</sup> 2020
  - 4,219 applications Housing Choice Voucher (tenant-based voucher)
  - 2,923 applications Project Based Voucher (voucher attached to unit)

# HUD Funds, Tenant Rents, and City General Funds to Operate Housing and Voucher Programs

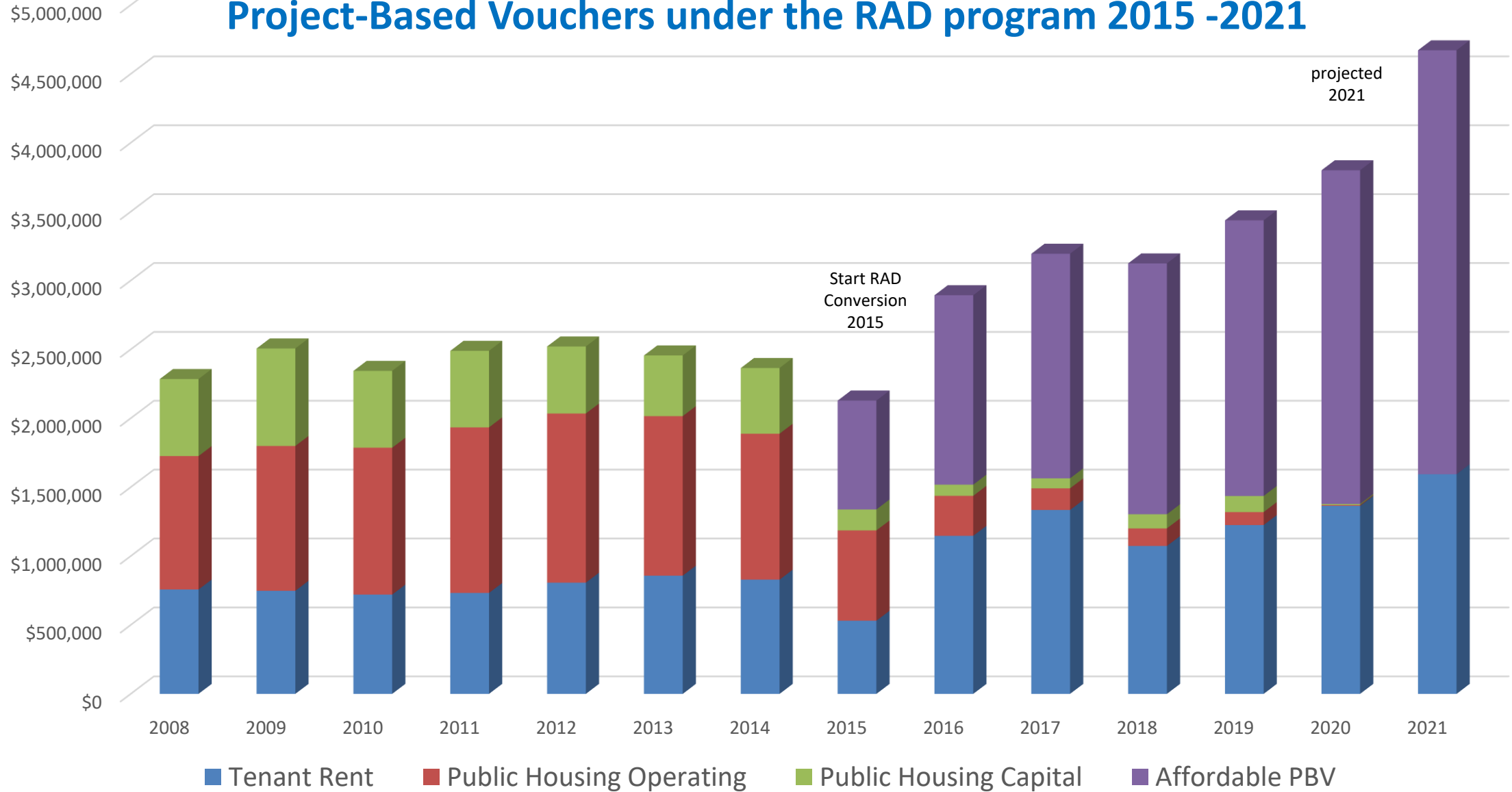


Does not include property development funds or millage funds

# HUD Operating Revenue for 2,089 Housing Choice, Homeless Veteran, Non-Elderly Disabled, Family Unification, and RAD Vouchers



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



# AAHC Budget Request General Funds

- \$90,000 Recurring Operational Support
  - 44% Reduction (by \$70,000) in FY22 and FY23 from \$160,000/yr
- 5 FTE's staffing for Lurie Terrace
  - Increase of \$493,868 FY22 and \$601,062 FY23
  - Reimbursed to City from AAHC
  - No Budget Impact
- IT expenses
  - Increase of \$40,755 FY22 and \$40,855 FY23
  - AAHC will pay for annual IT costs for 5 FTE's for Lurie Terrace
  - No Budget Impact

# AAHC Budget Request

## County Mental Health Millage Rebate

### FY22 \$1,000,000 & FY23 \$1,060,000

- Mental Health and Tenant Support Services
  - \$546,000 FY22 and \$557,000 FY23
    - Requesting amendment to previous budget which allocated 25% to services and 75% to capital projects
    - FY21 \$235,000 in FY21 funding (25% of budget) + \$300,000 fund balance (allocated on council floor during budget process) = \$535,000 total for mental health and tenant service contracts
    - Requesting that existing mental health and tenant support service contracts continue to be funded (in full) from the annual County Mental Health Millage rebate
    - New Affordable Housing Millage funds are available for new capital and related services contracts
    - FY22 and FY23 reflect a 2% annual increase pass through to non-profit contractors

# AAHC Budget Request

## County Mental Health Millage Rebate

- Mental Health and Tenant Support Services CONTINUED
  - Community Action Network @ Hikone, Creekside, Green-Baxter \$132,600
  - Peace Neighborhood Center @ West Arbor, Maple Meadows, Baker \$100,174
  - Avalon Housing @ Miller Manor, West Arbor, State Crossing \$241,634
  - Food Gatherers & Baker food program supplies \$5,639
  - SOS Voucher Program Eviction Prevention \$55,753
  - Ozone House Family Unification Program \$10,200
- Capital Project
  - \$464,000 FY22 and \$503,000 FY23
    - Miller Manor Installation of Sprinkler System and related Asbestos Remediation
    - Additional funding will need to be secured to complete the project
- Fund Balance \$234,000
  - Pilot mental health/medical response to psychiatric emergencies instead of police response





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

# Affordable Housing Millage

**FY22 \$6,502,056**

**FY23 \$6,671,109**

## **Guidelines Adopted by City Council July 27, 2020**

- 20-years 1 mil
- Zero income up to 60% of Area Median Income
- Affordable Housing Development (hard and soft costs)
- Up to 20% for resident supportive services for millage-developed units
- Sustainability prioritized
- Permanent affordability prioritized
- Goal of socio-economic diversity throughout the City
- Maximize leverage of other resources

# Affordable Housing Millage Strategy

- Develop 2-year budget based on known AAHC projects in the pipeline, including development of City-owned properties
- Build in flexibility to acquire properties unexpectedly on the market
- Develop application process for non-AAHC projects with HHSAB
  - Based on City Council millage guidelines
  - Ensure investment in feasible projects by qualified developers
  - Develop application around eligible uses, leveraging, subsidy layering, funding terms, development costs, developer experience, service funding and outcomes etc.
  - Issue RFP when funds are available
    - RFP responses reviewed by HHSAB and projects recommended to City Council
    - Administered and staffed by OCED in coordination with AAHC
- Capital funding requests can precede services funding by several years
  - Need to track ongoing annual service requests tied to capital projects

# AAHC Budget Request Affordable Housing Millage Recurring Operational

## FY22

- \$329,917 3 Development FTE's
- \$24,453 IT costs
- \$400,000 Predevelopment due diligence and earnest money

## FY23

- \$338,495 3 Development FTE's
- \$24,507 IT costs
- \$400,000 Predevelopment due diligence

# Affordable Housing Millage AAHC Projects

## FY22

- 350 S 5<sup>th</sup>
  - 400+ units
  - \$1,123,322 capital
  - \$0 Services (until FY25+)
- 121 E Catherine
  - \$1,200,00 capital
    - 50 – 85 units
  - \$0 services (until FY24/FY25)
- Acquisition
  - \$1,875,000 capital
    - 11 – 15 units
  - \$25,000 (starting FY22)

## FY23

- 350 S 5<sup>th</sup>
  - 400+ units
  - \$4,000,000 capital
  - \$0 Services (until FY25+)
- 353 S Main
  - 50 – 85 units
  - \$1,450,177 capital
  - \$0 services (until FY25+)

# Affordable Housing Millage

## Avalon Capital & Tenant Services Projects

Timing urgent, City approved projects with City HUD HOME funds allocated, requesting final gap financing to ensure project development

### FY22

- Hickory Way
  - \$300,000 capital
    - 36 units Phase II
  - \$124,364 services
    - 84 units entire project
- The Grove at Veridian
  - \$1,100,000 capital
  - \$0 services (until FY24/FY25)

### FY23

- Hickory Way
  - \$250,000 capital
    - 14 units Phase III
  - \$182,430 services
    - 84 units entire project

# 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
  - 45 of 136 units Lurie Terrace @60% AMI or less
- Avalon
  - 70 Phase I & II Hickory Way at S. Maple
  - 6 on Gott Street
- Private Developer through Brownfield
  - 15 at Beekman's at 1140 Broadway

**194 TOTAL by 2021**

### Units In the Pipeline/Planned 2022

- AAHC
  - 12 Acquisition
- Avalon
  - 50 Veridian at County Farm on Platt
  - 6 on Glendale
  - 14 Phase III Hickory Way at S Maple
- Private Developer through Zoning
  - 14 at 1100 S. University
  - 19 at 616 E. Washington
  - 65 of 145 Lockwood on Ellsworth @ 60% AMI or less

**180 Additional estimate by 2022**

**7-year goal 980 units**  
**7-year total 374 units**  
**Behind by 606 units by 2022**

# Affordable Housing City-Owned Sites

Property	Total Number of Units	Low-end # Affordable	High-end # Affordable
404 N Ashley	50 - 90	50	90
121 Catherine	50 - 85	50	85
353 S. Main	50 - 85	50	85
Ashley/William lot	400 - 600	125	600
350 S 5 <sup>th</sup>	400 - 418	130	418
415 W Washington	200 - 217	0*	33*
721 N Main/123 Summit	18 - 32	18	32
2000 S. Industrial	50 - 165	50	165
3400 Platt/Springbrook	12 - 14	12	14
1510 E. Stadium	18 - 22	18	22
<b>TOTALS</b>		<b>503</b>	<b>1,511**</b>

\*Challenging sites for affordable housing financing

\*\* All units could be affordable with deep local subsidies



# Next Steps

- April - June 2021 Council Meetings
  - Report on Community Engagement and Development Recommendations
    - 353 S. Main, 121 E. Catherine, Ashley/William lot, and 721 N. Main
    - Downtown parking analysis and recommendations
    - Downtown housing market analysis
  - 415 W Washington Development Recommendation
    - Strategic change removing AAHC as developer
  - Avalon Housing Millage Funding Recommendation
    - Hickory Way
    - The Grove at Veridian
  - AAHC Acquisition Project Funding and Re-Zoning

# Next Steps FY22 & FY23

- Hire Development Staff
- Create Application Process for non-AAHC Developers for Millage
- Site Plan, Zoning and Financing
  - 121 E Catherine
  - 353 S Main
  - 350 S 5<sup>th</sup>
- Zoning and Lot Split
  - 721 N Main/123 Summit
- Community Engagement & Request for Proposals
  - Platt/Springbrook
- Continue Site Analysis
  - 2000 S. Industrial