

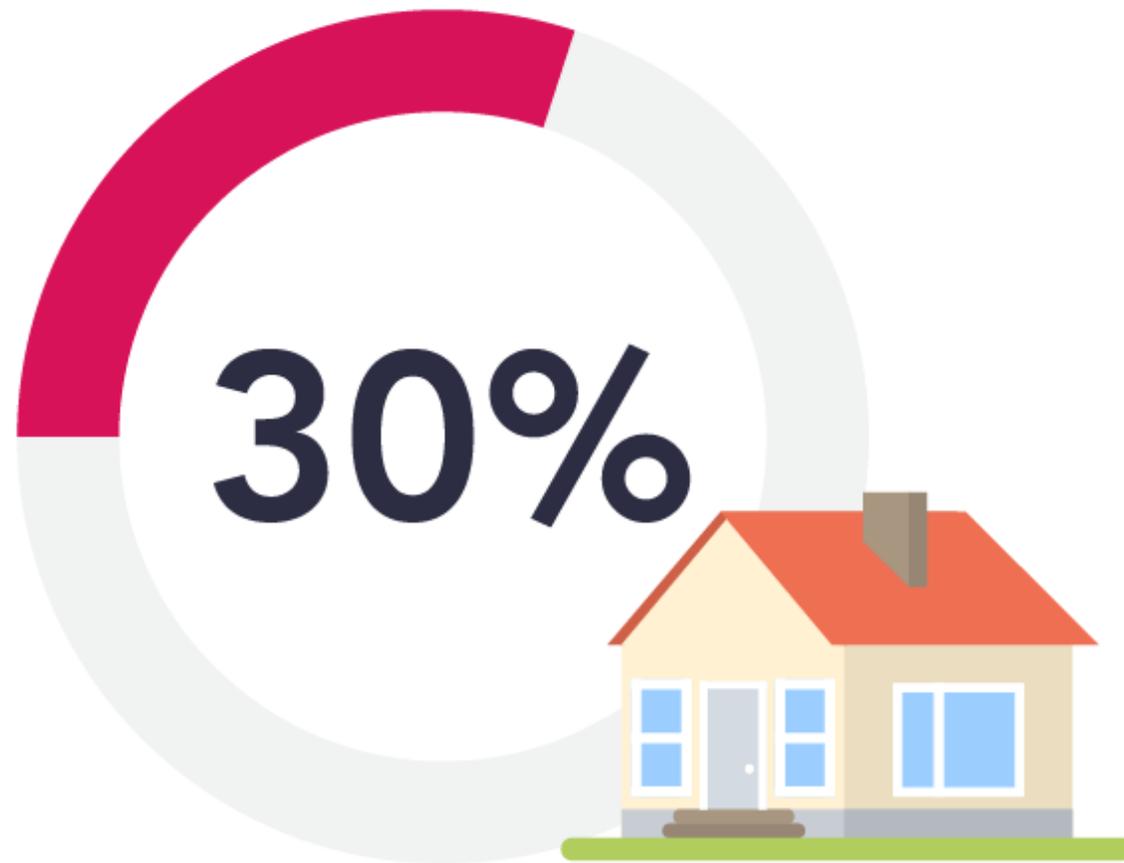
# HOUSING + AFFORDABILITY IN ANN ARBOR

2020-21 PUBLIC ENGAGEMENT RECOMMENDATIONS

[www.community-engagement-annarbor.com](http://www.community-engagement-annarbor.com)



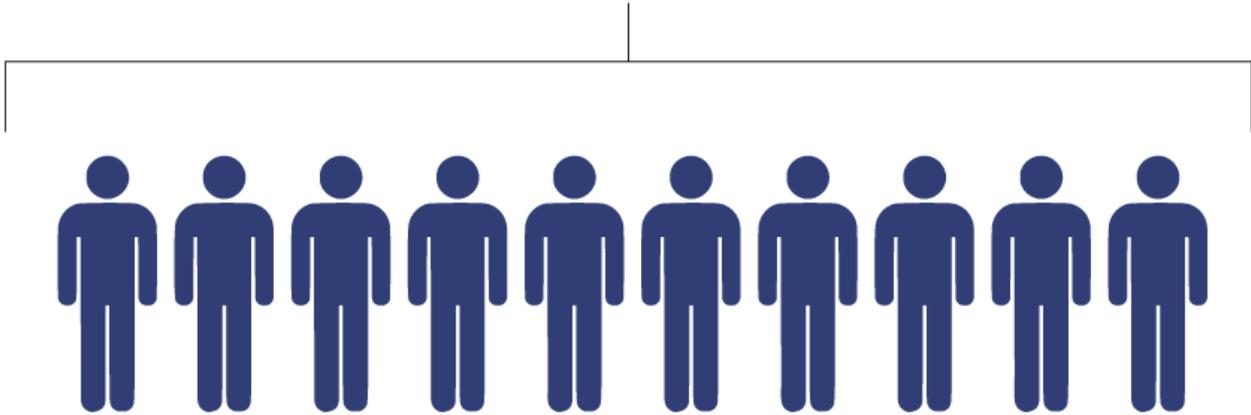
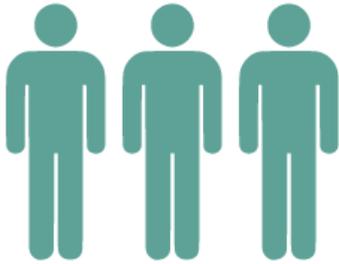
SMITHGROUP



Housing\* is considered “affordable” when it **costs no more than 30% of a household’s gross income.**

\*Housing costs = rent + utilities or mortgage + taxes + utilities.

For every 3 people  
who live and work in Ann Arbor...



...10 people live elsewhere and have to  
commute into the city to work.



## Average Apartment Costs



\$1,148/month



\$1,750/month



In Ann Arbor, the median family income is

**\$101,500/year**

But half of the families in Ann Arbor don't earn that much money.

HOUSEHOLD SIZE	1 	2 	3 	4 	5 
60% AREA MEDIAN INCOME	\$42,660	\$48,720	\$54,840	\$60,900	\$65,820
AFFORDABLE MONTHLY HOUSING COSTS	\$1,067	\$1,218	\$1,371	\$1,523	\$1,646

HUD places the Area Median Income into the 100% AMI 4 person household slot, and all other incomes are a formula based off that number.



# Who is impacted by housing unaffordability?

Many people that you interact with daily can't afford to live in Ann Arbor because of housing costs.



Housing\* is considered "affordable" when it costs no more than 30% of a household's gross income.



Healthcare worker  
\$27,360 - \$46,240



Firefighter  
\$46,944



Social Worker  
\$46,579



Preschool Teacher  
\$28,166



Maintenance Worker  
\$36,077



Retail Worker  
\$23,482



Cook  
\$24,326



Delivery Driver  
\$29,549



Security Guard  
\$27,437



Real Estate Agent  
\$46,829

One Bedroom Apartment

**\$45,920**

\$1,148/Month

Two Bedroom Apartment

**\$70,000**

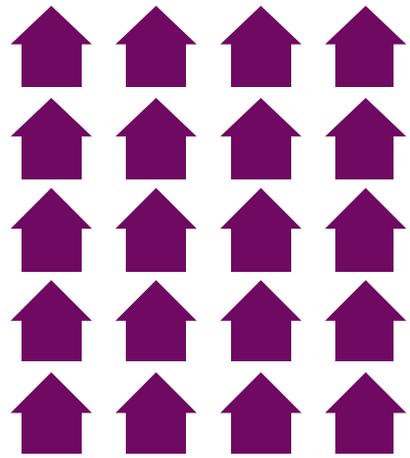
\$1,750/Month

this is the minimum annual salary required to afford rent in Ann Arbor.

Essential workers don't earn enough money to live in Ann Arbor.

\*Housing costs = rent + utilities or mortgage + taxes + utilities. Median annual salaries, according to the Bureau of Labor Statistics; Average rent figures from RentJungle.com, for August 2020.





**2,800 UNITS  
OVER 20 YEARS**

County report specifically recommended 140 units per year for 20 years in the City of Ann Arbor for a total of 2,800 units for 60% AMI households or less.

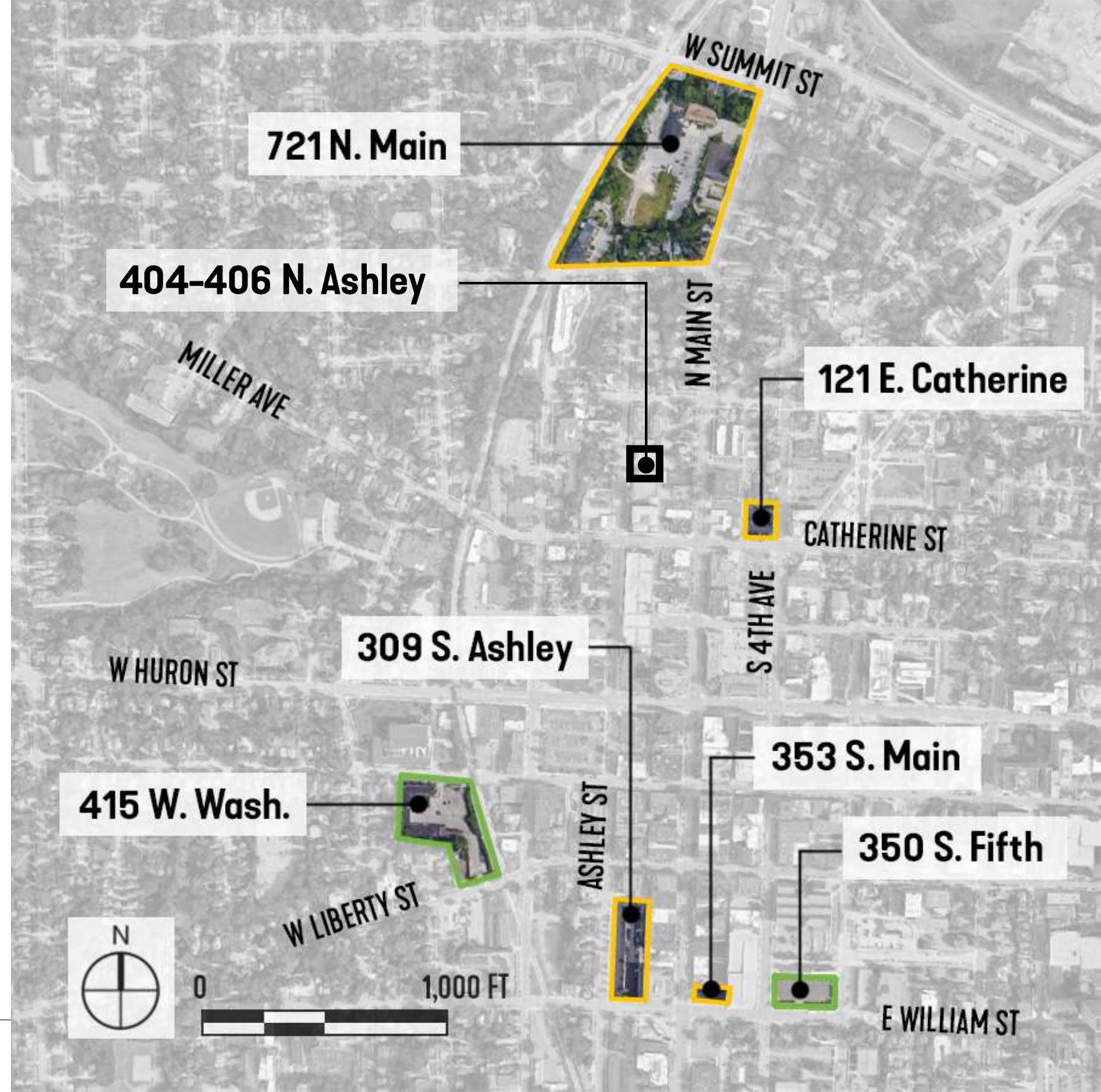


**FUNDING FOR OVER  
1,500 UNITS**

The millage that recently passed is estimated to provide enough funding for 1,500+ new affordable housing units.

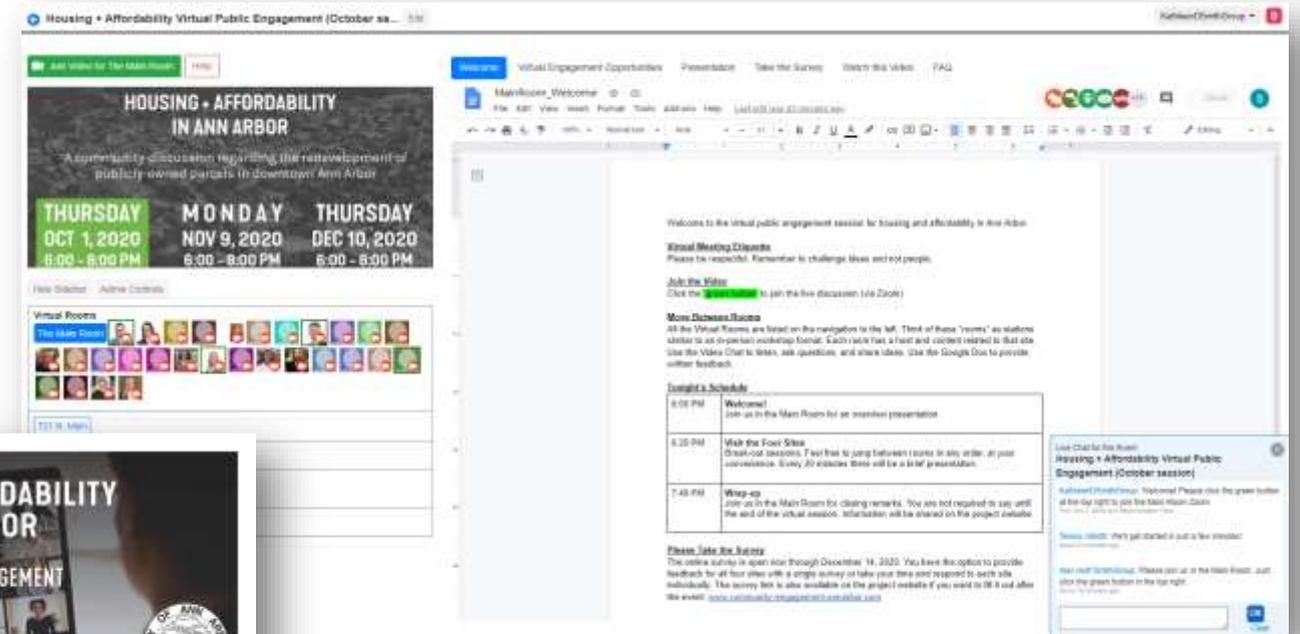
# PUBLIC ENGAGEMENT-DOWNTOWN SITES

- **PHASE 1: WINTER-SPRING 2020 (PUBLIC ENGAGEMENT COMPLETE)**
  - 350 S. Fifth (Former Y Lot)
  - 415 W. Washington
- **PHASE 2: FALL 2020 (CURRENT PUBLIC ENGAGEMENT)**
  - 121 E. Catherine (4<sup>th</sup> & Catherine)
  - 353 S. Main (Main & William)
  - 721 N. Main
  - 309 S. Ashley (Kline's Lot)
- **FUTURE PUBLIC ENGAGEMENT**
  - 404-406 N. Ashley



# ENGAGEMENT OVERVIEW

- 3 months of engagement during Fall/Winter 2020
- Project website
- Mobile Friendly Online survey  
650 responses
- 16 Stakeholder meetings
- 3 Live Virtual Engagement Sessions
- 6,000 Mailers



# ENGAGEMENT OVERVIEW

ATTEMPT TO TARGET THOSE INDIVIDUALS WHO CAN'T AFFORD TO LIVE IN ANN ARBOR



Targeted emails to social services agencies



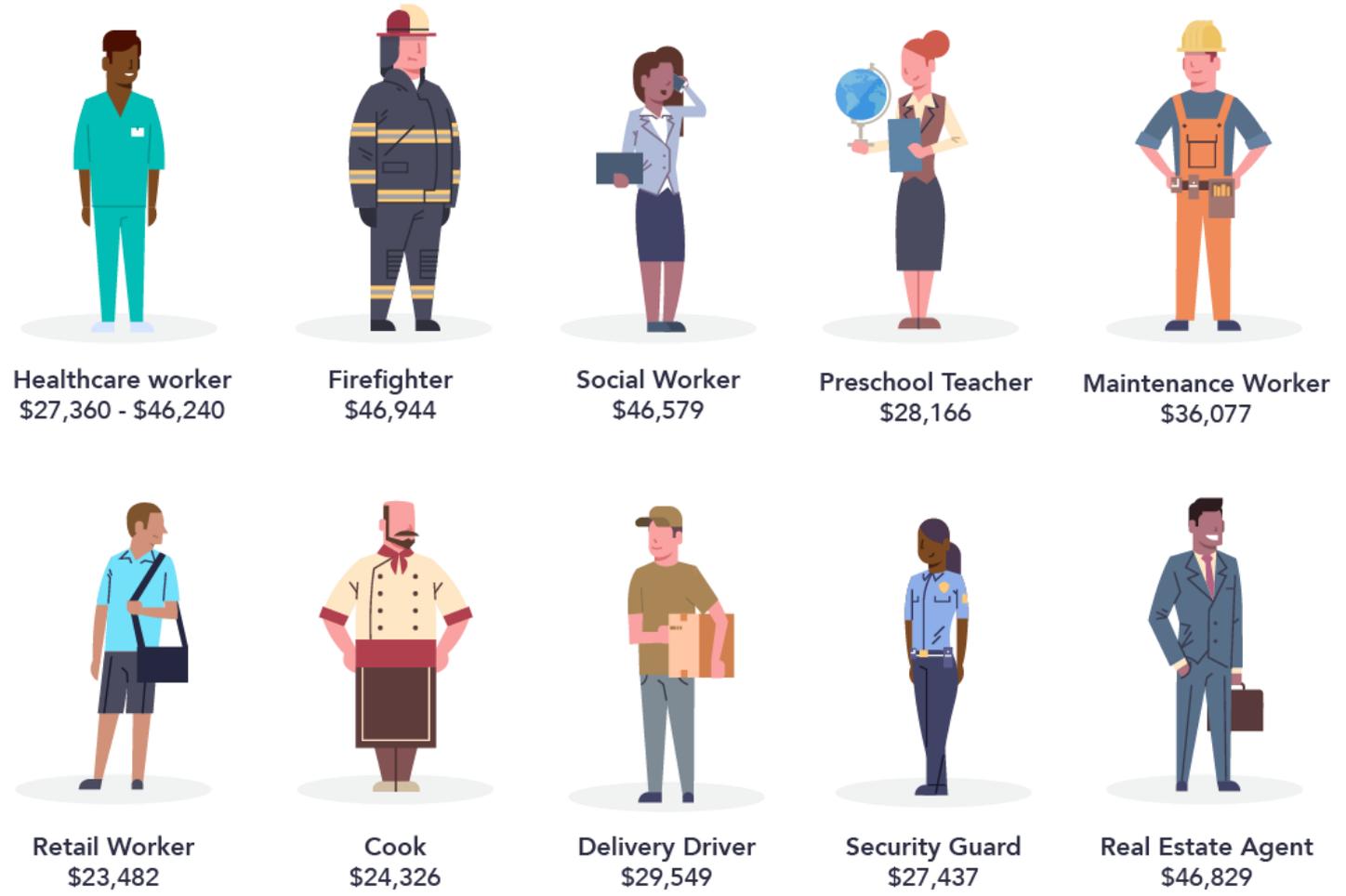
Targeted social media campaign to 35 and under demographic



Mobile-friendly survey



Stakeholder conversations with UofM Design Justice Corps, First Baptist, AAHC, HHSAB



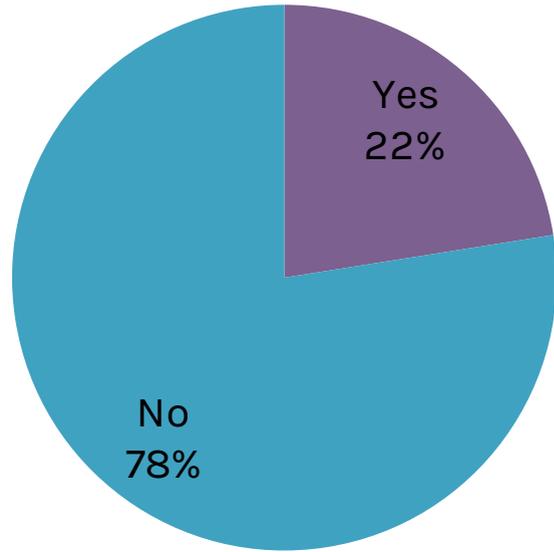
**Essential workers don't earn enough money to live in Ann Arbor.**

\*Median annual salaries, according to the Bureau of Labor Statistics

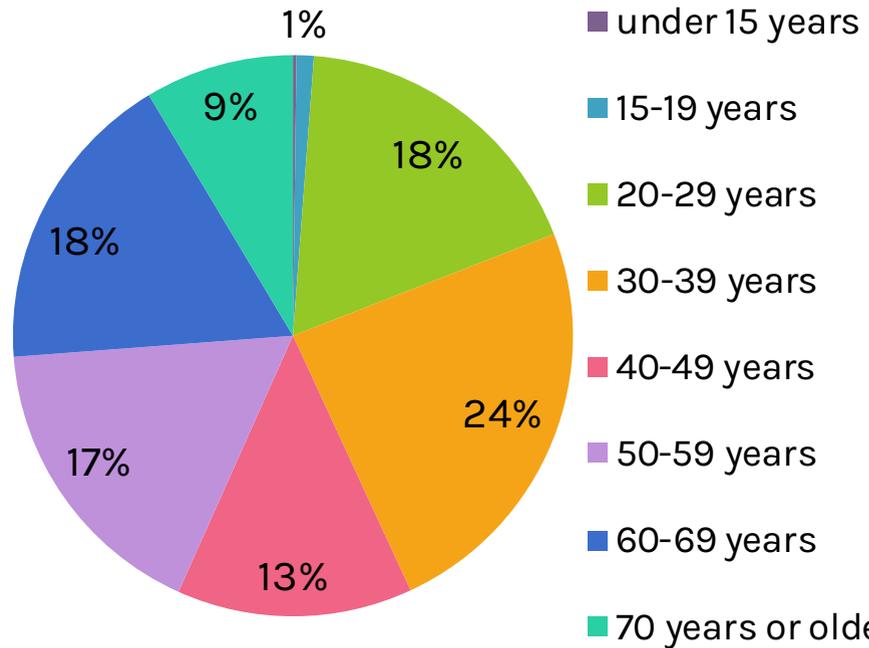


# SURVEY DEMOGRAPHICS (600+ RESPONSES)

## PREVIOUS ENGAGEMENT 415 W WASH AND FORMER Y LOT



## AGE



## NEIGHBORING RESIDENTS AND WORKERS

Site	Count
121 E. Catherine (4th and Catherine parking lot)	97
353 S. Main (Main & William parking lot)	112
309 S. Ashley (Ashley & William parking lot)	105
721 N. Main	81

## RACE AND ETHNICITY

Value	Survey Response	Ann Arbor ACS 2019 5yr
American Indian or Alaskan Native	0.9%	0%
Asian	3.9%	17%
Black or African-American	2.3%	7%
White	88.3%	68%
Middle Eastern or North African	1.1%	n/a
Hispanic or Latinx	3.4%	5%
Other - Write In	5.0%	102

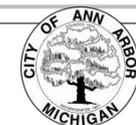
## RESPONDENTS WHO LIVE IN ANN ARBOR

# 85%



## HOMEOWNERSHIP

Value	Survey Response	Ann Arbor ACS 2019 5yr
Rent	29.0%	25.3%
Own	67.4%	69.9%
Other - Write In	3.6%	

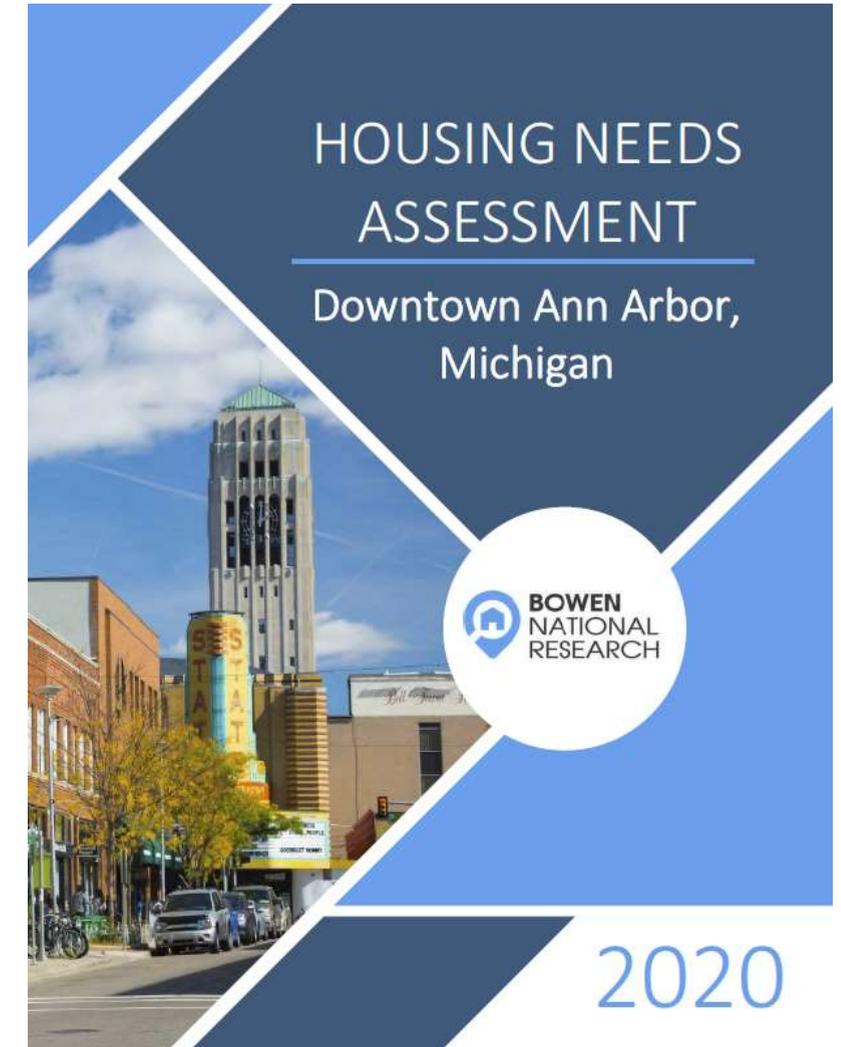


# HOUSING NEEDS ASSESSMENT

- There is a significant need for affordable housing as shown by the demand break-down:
  - Demand for **1,346-1,407 units at < 30% AMI**
  - Demand for **782-856 units at 31% to 60% AMI**
  - Demand for **371-491 units at 61% to 100% AMI**
- Without the city getting involved and building affordable housing at or below 60% AMI, private developers will continue to build downtown residential at market rate. **Therefore, the market will drive growth in higher-income households.**
- While most downtown renter household growth is projected to occur among higher income households, low-income households comprise the largest share of renter households.
- One way to close the gap is for the **city to take an active role in building affordable housing downtown.**
- Based on this analysis, **all seven sites are marketable for affordable residential development.**

## *Housing Affordability Remains a Challenge for Many Area Renters*

A total of 1,893 (55.5%) of all Downtown renters are considered “housing cost burdened,” meaning they pay over 30% of their income toward housing.





# 121 E CATHERINE

## FOURTH & CATHERINE PARKING LOT



BICYCLE RAILWAY

P

STOP

ALL-WAY

NO PARKING  
MUSIC  
RECORDS  
RECESSION

PUBLIC PARKING  
NO BICYCLES  
1HR

# 121 E CATHERINE

## OBJECTIVES

Item	Overall Rank	Rank Distribution	Score
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,666
Activate the ground floor for public benefit	2		1,359
Develop a mix of housing unit types and prices	3		1,189
Maintain some city ownership/control	4		1,040
Provide parking on site	5		997
Maximize market rate residential	6		694

Lowest      Highest



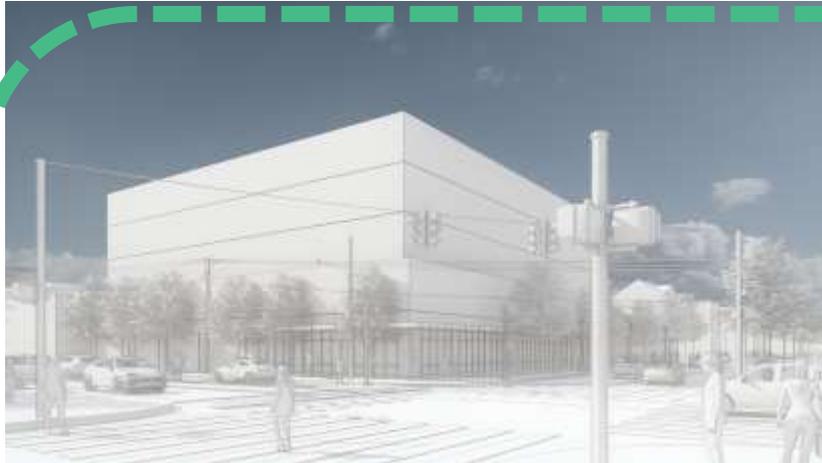
# 121 E CATHERINE

## MASSING OPTIONS



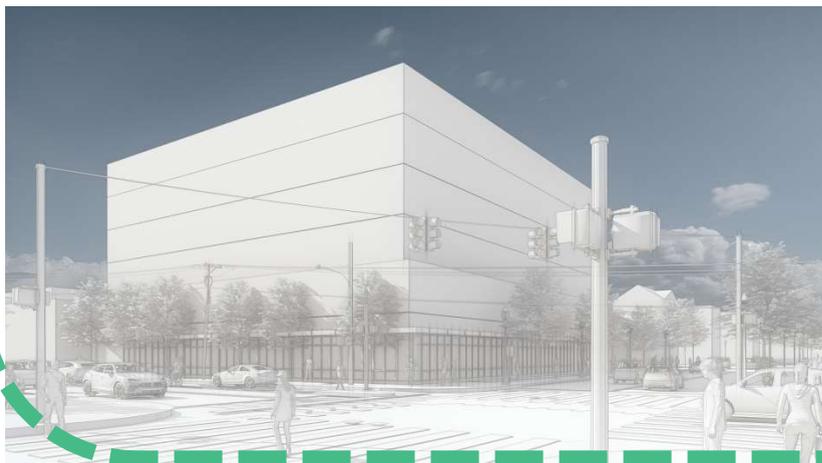
### OPTION 1: 4-STORY

- +/- 50-60 units
- FAR: 239%



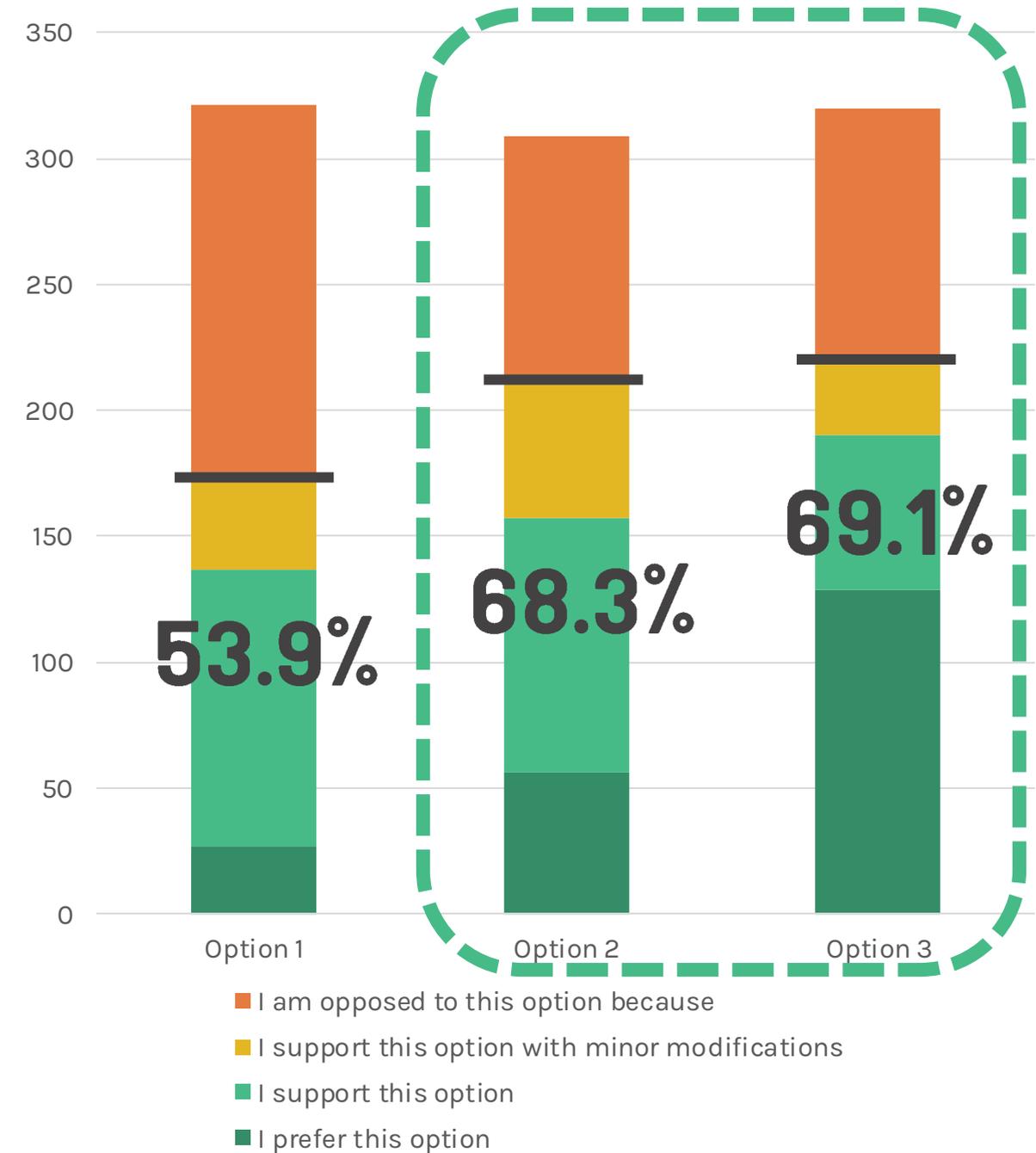
### OPTION 2: 5-STORY

- +/- 70-80 units
- FAR: 309%



### OPTION 3: 6-STORY

- +/- 85-95 units
- FAR: 400%



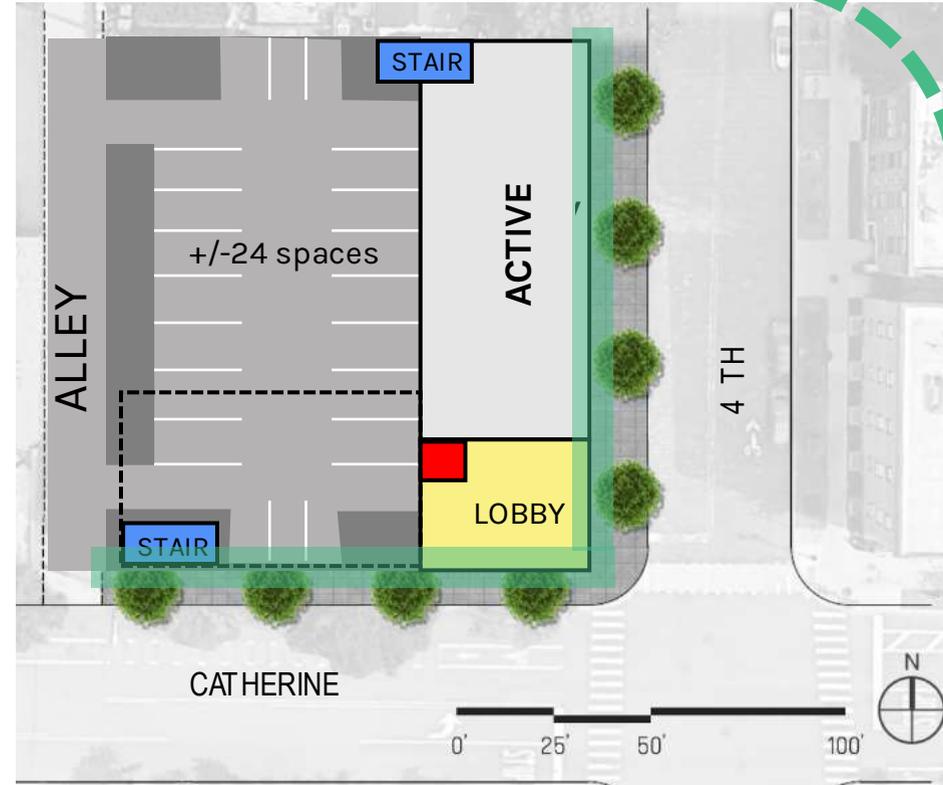
# 121 E CATHERINE

## PARKING OPTIONS



### OPTION 1:

- Active Ground Floor: No
- Maximizes surface parking (~40 spaces)



### OPTION 2:

- Active Ground Floor: Potential
- Retains some surface parking (~ 24 spaces)



### OPTION 3:

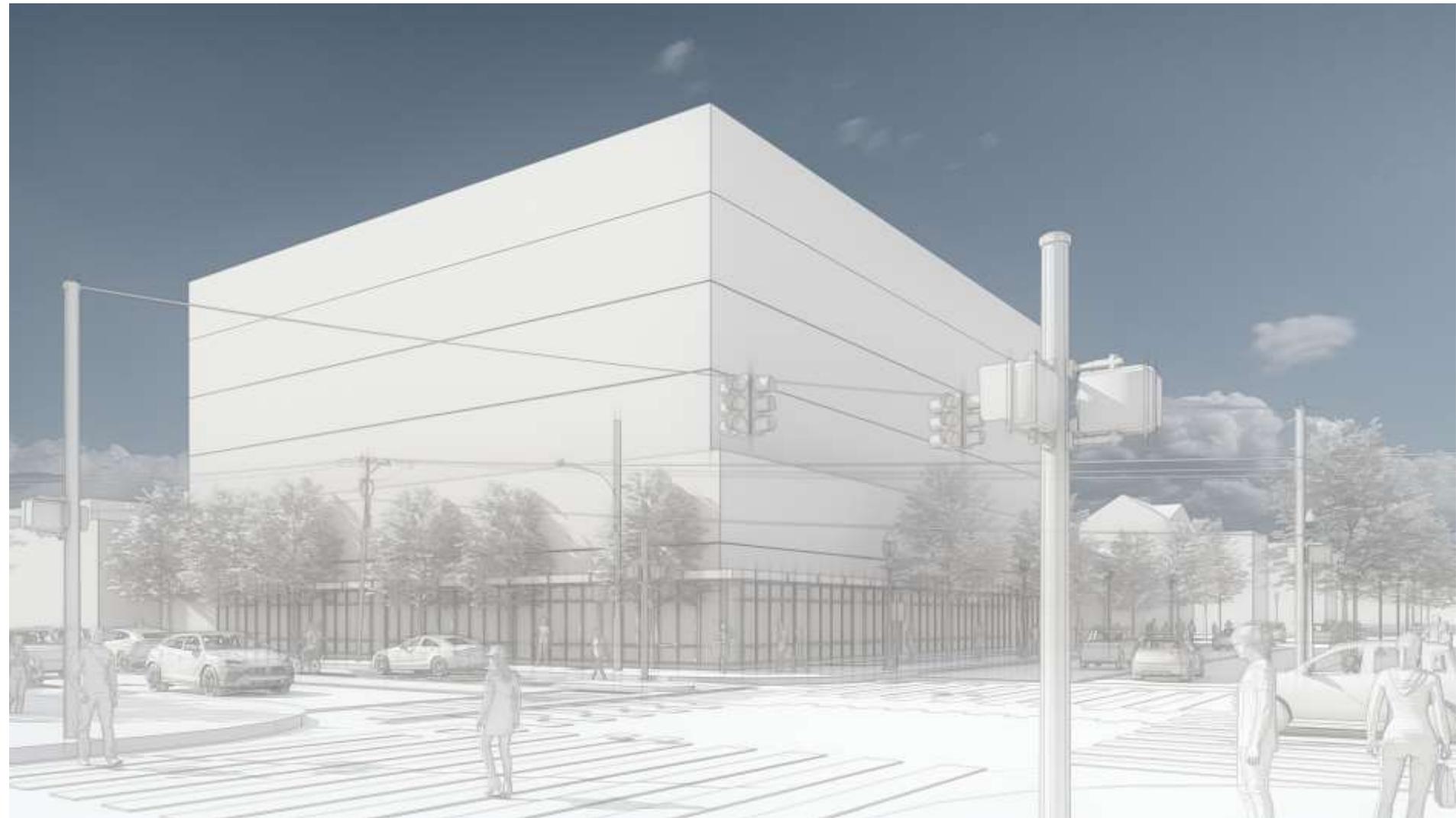
- Active Ground Floor: Yes
- Assumes underground parking (~90 spaces, parking alone ~\$8 Million)

\*Building design does not consider retail/commercial but will activate the 4<sup>th</sup> and Catherine streetscapes at the ground level and adapt to future ground floor uses.

# 121 E CATHERINE

## RECOMMENDED NEXT STEPS

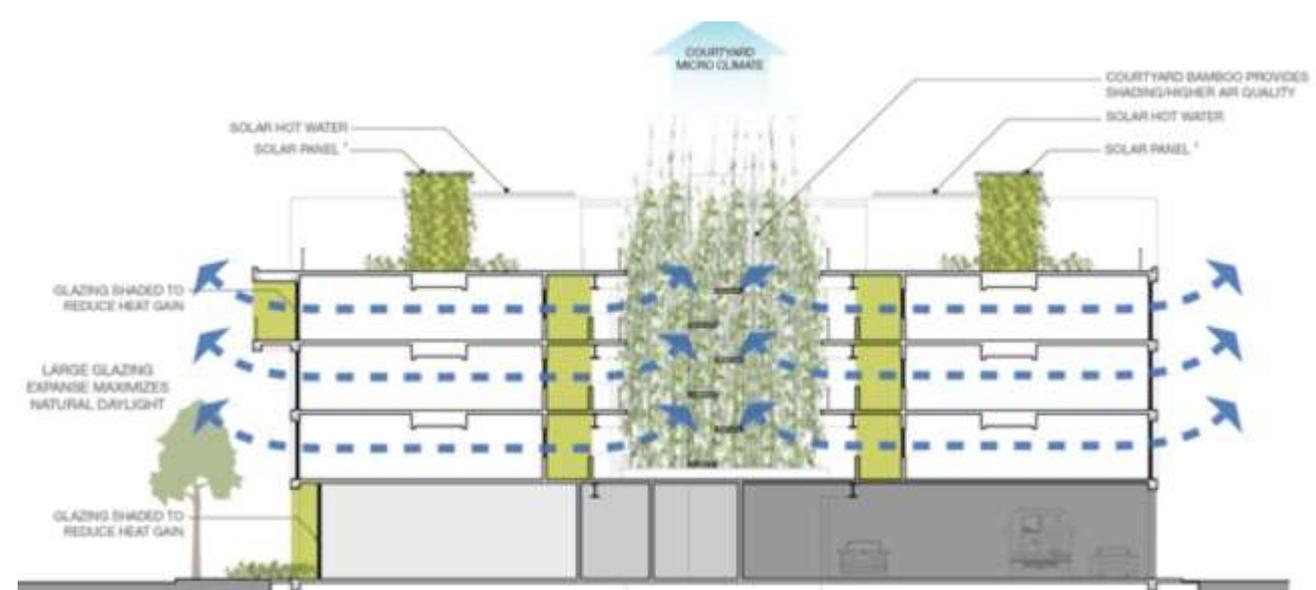
- Proceed with the development of 121 E Catherine for affordable housing
- Supported by City Council Resolution 19-514 to develop 121 E Catherine (11/18/19)
- Pursue a development that is up to 400% FAR, 5-6 stories in height and maximizes street level parking while still creating and reinforcing an active and attractive ground floor streetscape on 4<sup>th</sup> and Catherine
- AAHC hires development team, starts site plan approval process and secures financing



# HOUSING ABOVE PARKING



2188 S Highland Drive  
Salt Lake City, Utah



Sierra Bonita Apartments  
West Hollywood, California

# 4<sup>TH</sup> & CATHERINE PARKING CONSIDERATIONS

- Maintain as many public, surface-level parking spaces as possible while still creating an active and beautiful street experience at 4th and Catherine.
- Address the area's distinct parking challenges and opportunities, mitigate challenge of lost capacity during construction.
- Potential opportunities include:
  - Market Day Vendor Parking strategies
  - Ann/Ashley Garage strategies and incentives
  - Expand private shared parking
  - Seek additional drop-off/pick-up areas
  - Increased information and wayfinding efforts
- Downtown parking study is in progress, delayed to address COVID challenges for new data collection.





**353 S MAIN**  
**MAIN & WILLIAM PARKING LOT**



LEFT  
TURN  
ONLY

PALIO

NO  
TURN  
ON RED

# 353 S MAIN

## OBJECTIVE

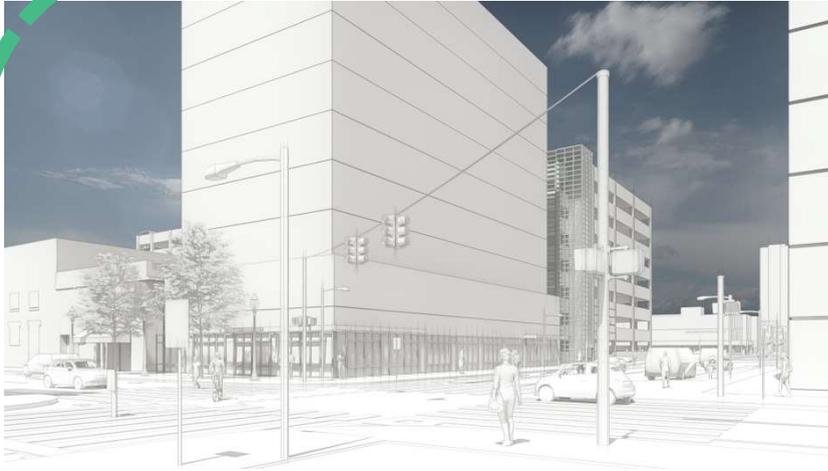
Item	Overall Rank	Rank Distribution	Score
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,474
Activate the ground floor for public benefit	2		1,294
Contribute to Main Street character	3		1,092
Develop a mix of housing unit types and prices	4		1,071
Maintain some city ownership/control	5		936
Provide parking on site	6		679
Maximize market rate residential	7		624

Lowest                      Highest



# 353 S MAIN

## MASSING OPTIONS



### OPTION 1: 10-STORY

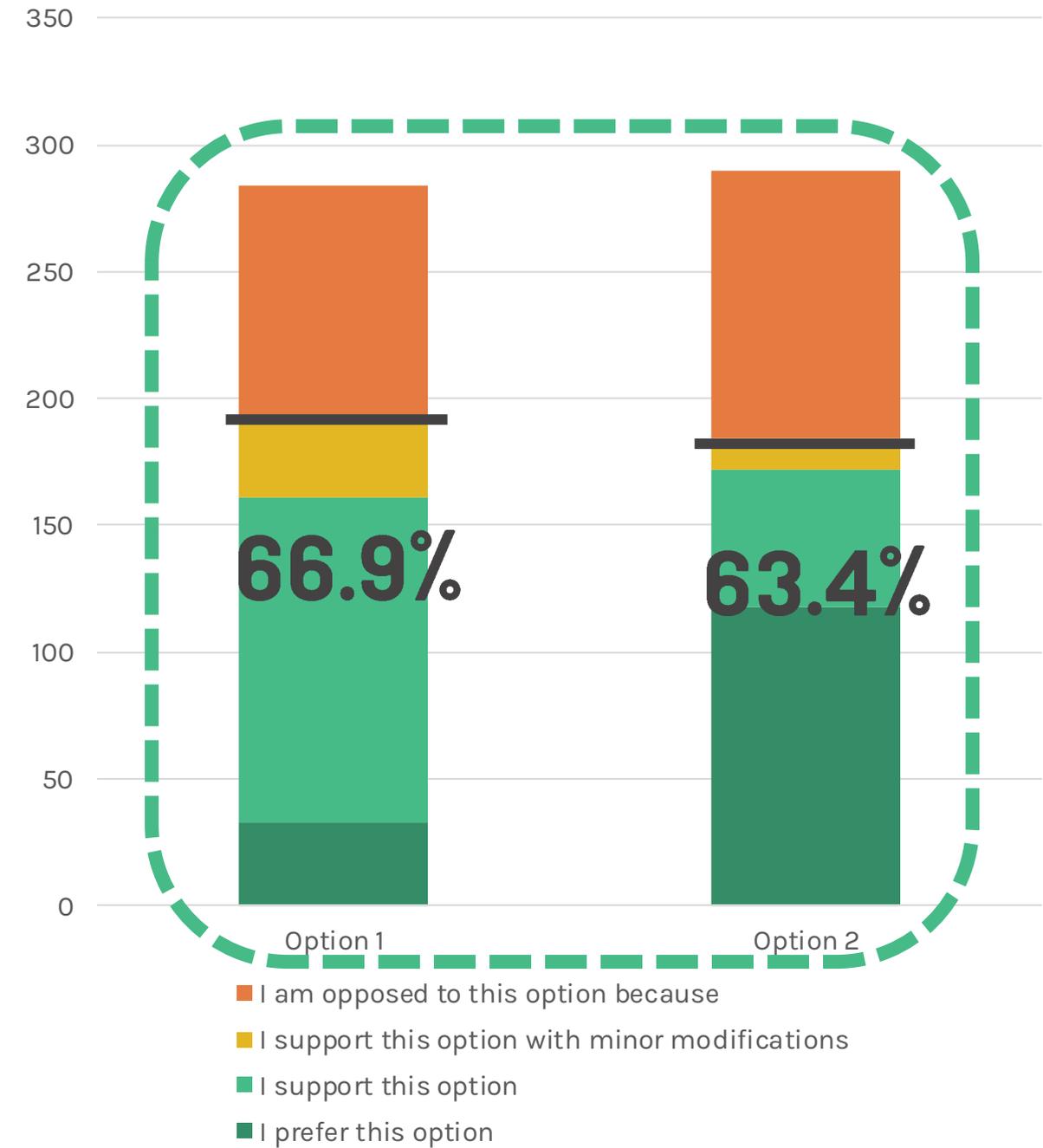
- +/- 90 units
- 900% FAR



### OPTION 2: 6-STORY

- +/- 50 units
- 550% FAR

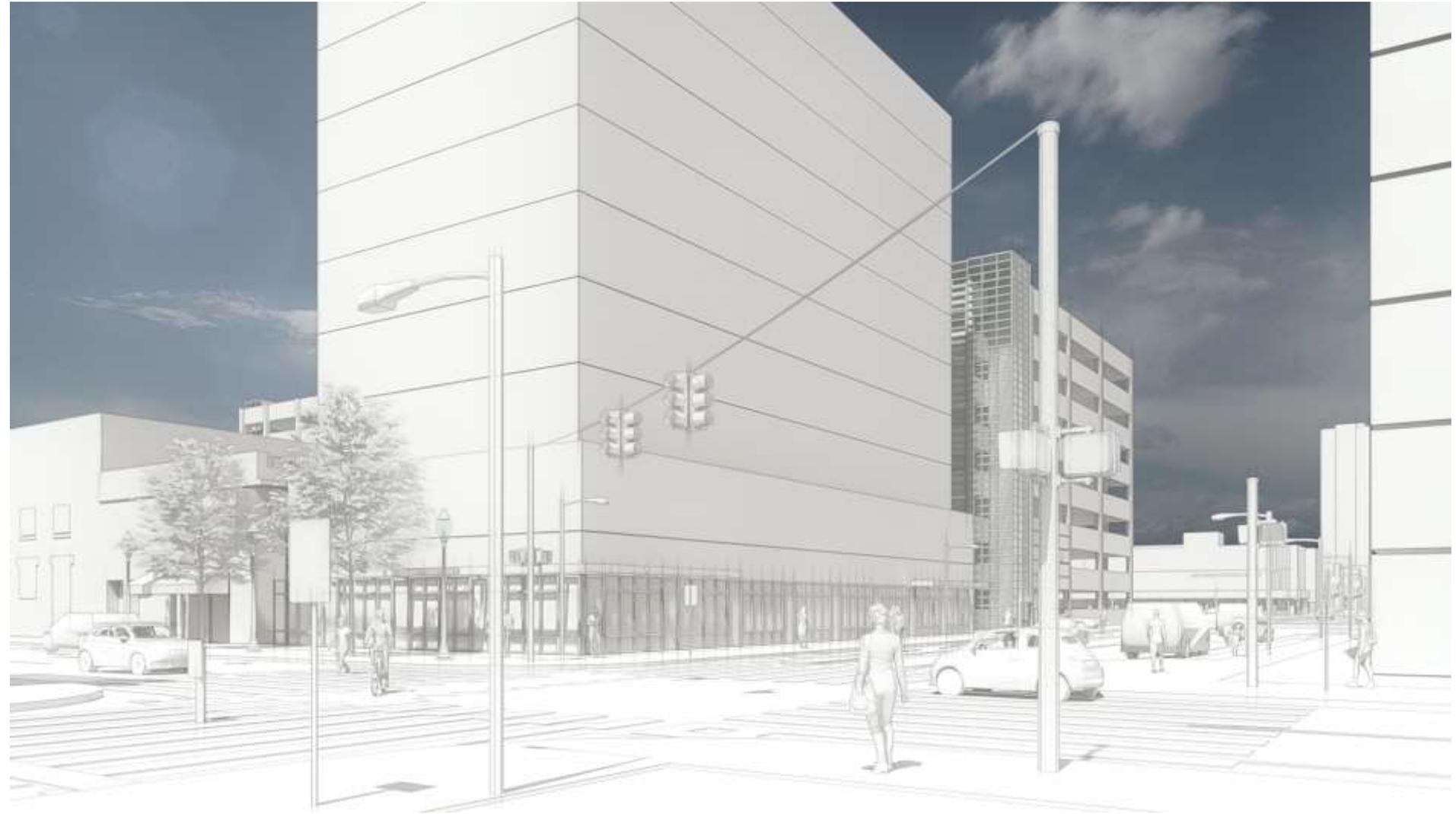
\*Building massing will depend on financing and market conditions



# 353 S MAIN

## RECOMMENDED NEXT STEPS

- Requesting approval from City Council to proceed with the development of 353 S Main for affordable housing
- Pursue a development that is up to 900% FAR, up to 10 stories in height and activates the ground floor at an important corner in downtown Ann Arbor
- Designate Ann Arbor Housing Commission as developer
- AAHC hires development team, starts site plan approval process and secures development financing





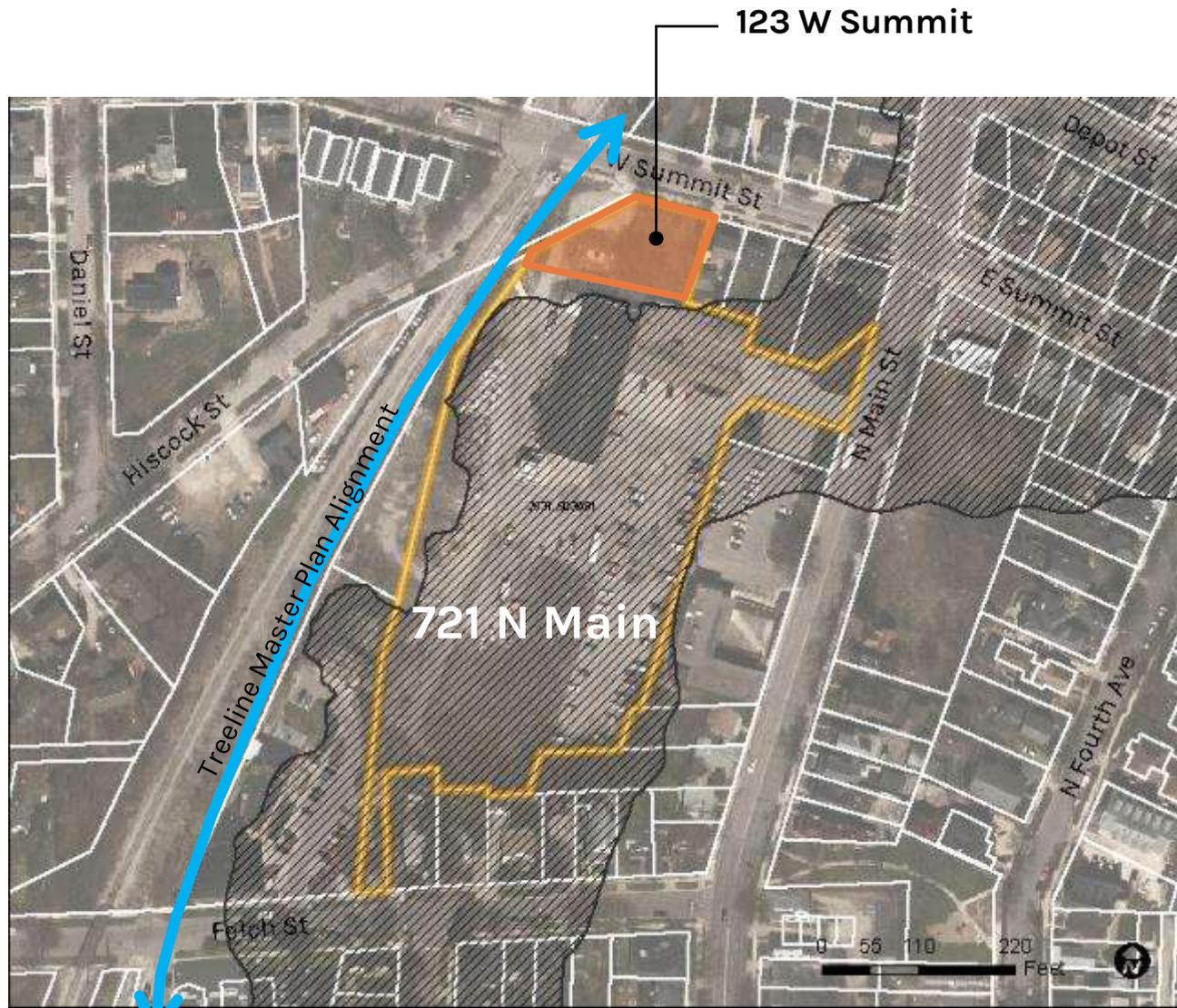
**721 N MAIN**





# 721 N MAIN

## CONTEXT



-  Floodway and Floodplain
-  721 North Main
-  Potential Developable Parcel



\*FEMA grant restricts development of the floodway

# 123 W SUMMIT

## OBJECTIVES

Item	Overall Rank	Rank Distribution	Score
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,421
Engage the Treeline Trail	2		1,365
Develop a mix of housing unit types and prices	3		1,065
Sell the property and use proceeds for affordable housing on another city-owned property	4		897
Maintain some city ownership/control	5		861
Fit in with existing adjacent building heights and scales	6		857
Provide parking on site	7		735
Maximize market rate residential	8		715

Lowest                      Highest



# 123 W SUMMIT

## MASSING OPTIONS



### OPTION 1: APARTMENTS

- # of Units: 14



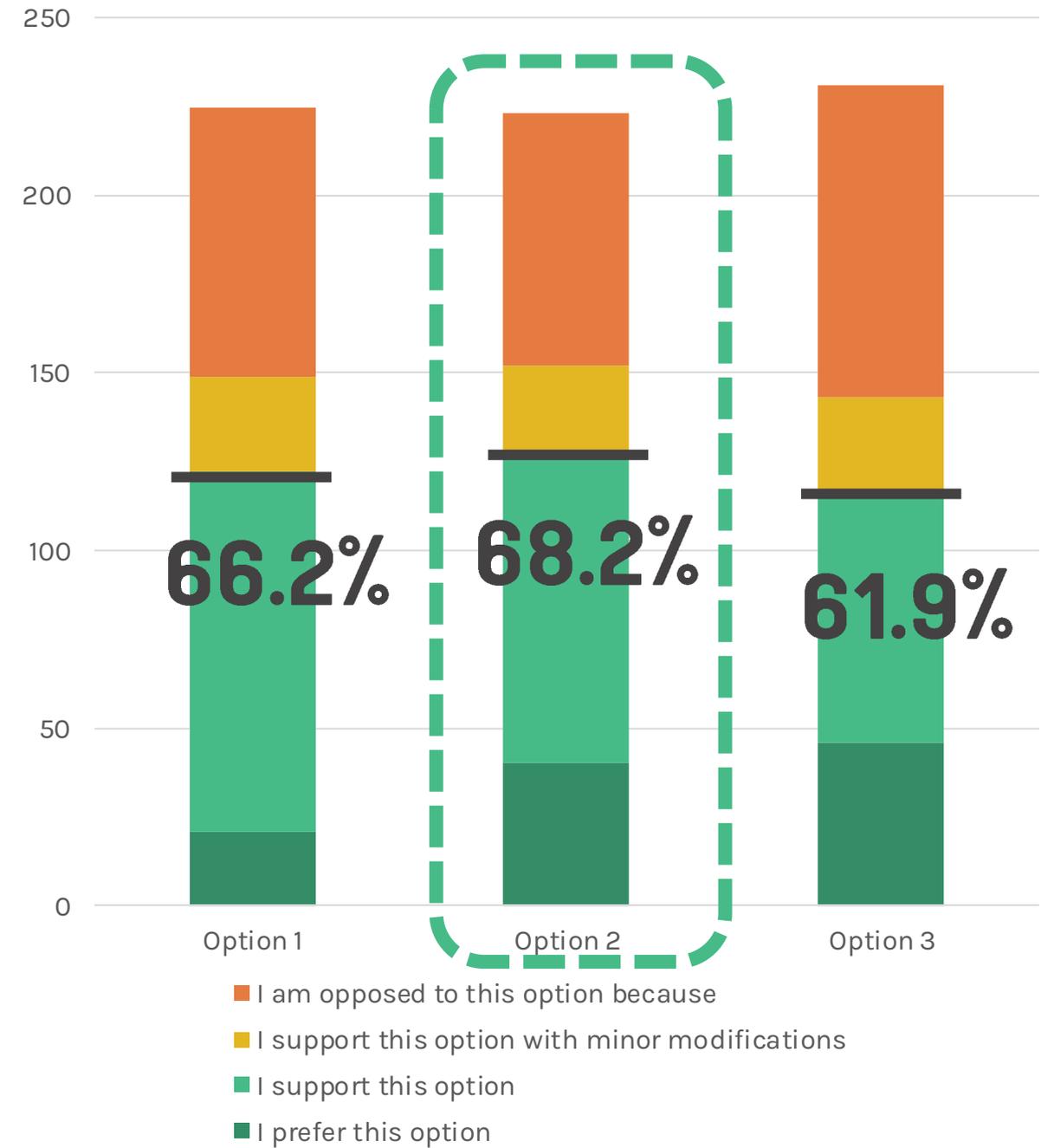
### OPTION 2: APARTMENTS

- # of Units: 19



### OPTION 3: TOWNHOMES

- # of Units: 7



# 721 N MAIN

## RECOMMENDED NEXT STEPS

- requesting approval to divide the property between the floodway/floodplain and a 14,520 SF Summit Street facing portion that is not in the floodway/floodplain and designate the AAHC as the developer of the property that is not in the floodway/floodplain
- Target a 3-story development with walk-up units along Summit
- Designate Ann Arbor Housing Commission as developer
- AAHC hires development team, starts site plan approval process and secures development financing



Proposed Zoning District: C1  
New Lot Area: 14,520 SF  
FAR: 100%  
Max. Building Height: 35' (3 stories)



**309 S ASHLEY**  
**ASHLEY & WILLIAM PARKING LOT**



RIGHT LANE  
CLOSED  
AHEAD



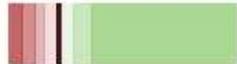
BIKE LANE



STOP

# 309 S ASHLEY

## OBJECTIVES

Item	Overall Rank	Rank Distribution	Score
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,376
Activate the ground floor for public benefit	2		1,149
Develop a mix of housing unit types and prices	3		1,089
Provide parking on site	4		877
Maintain some city ownership/control	5		868
Appropriately scale down to the west and/or Main Street	6		813
Maximize market rate residential	7		626


  
 Lowest      Highest



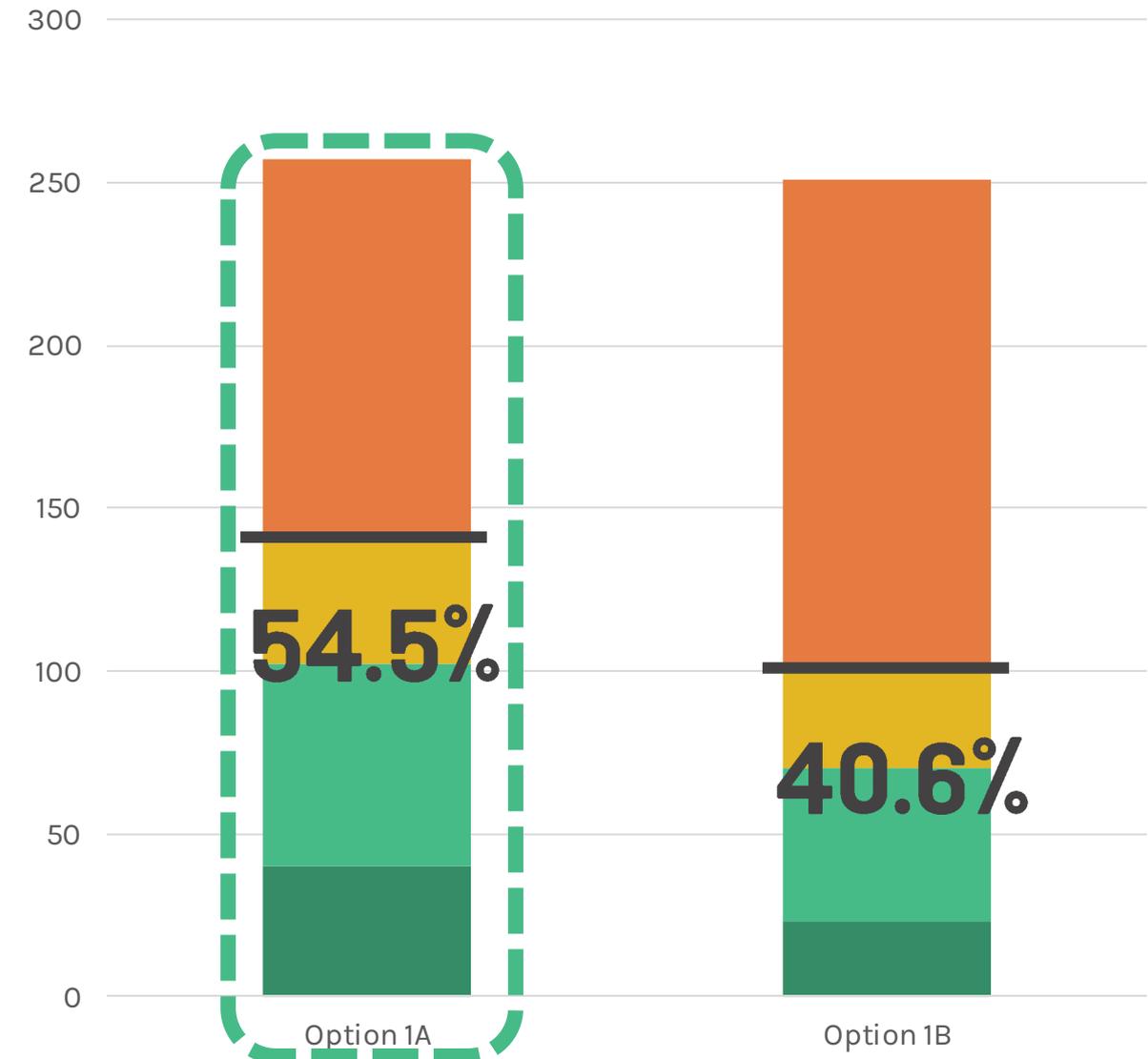
# 309 S ASHLEY

## MASSING OPTIONS: A KEY FUTURE DOWNTOWN PARKING SITE

### OPTION 1A: 900% FAR



### OPTION 1B: 320% FAR



- I am opposed to this option because
- I support this option with minor modifications
- I support this option
- I prefer this option

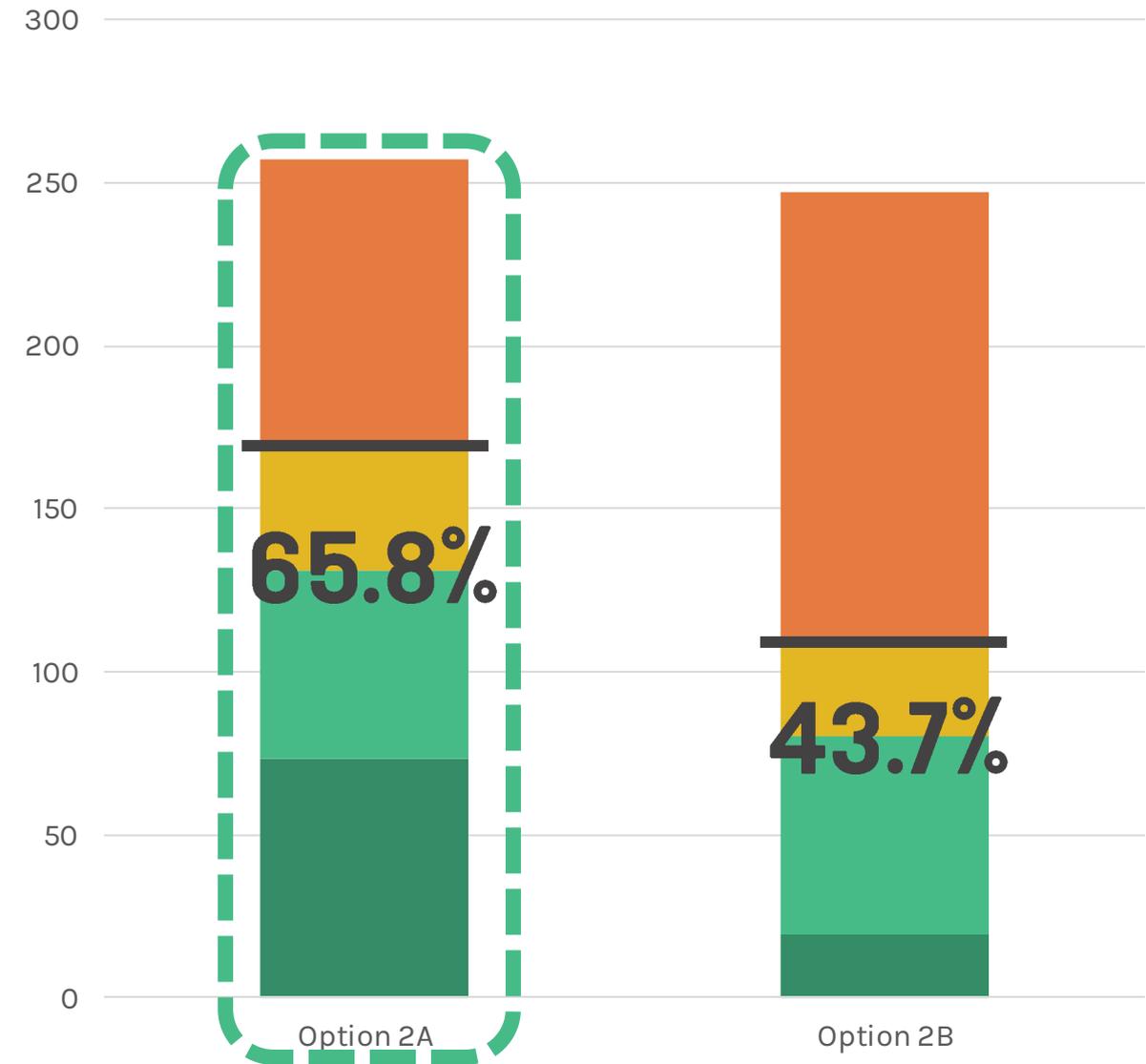
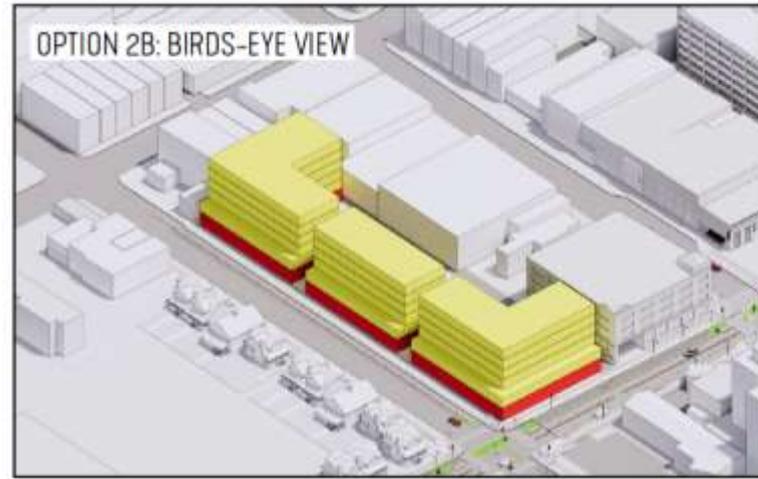
# 309 S ASHLEY

MASSING OPTIONS: NOT A KEY FUTURE DOWNTOWN PARKING SITE

## OPTION 2A: 900% FAR



## OPTION 2B: 320% FAR



- I am opposed to this option because
- I support this option with minor modifications
- I support this option
- I prefer this option



# 309 S ASHLEY

## RECOMMENDED NEXT STEPS

- Additional study is needed
- The consultant team, in coordination with the DDA will finalize the downtown parking assessment that is currently underway but is difficult to complete until post-COVID normalization.
- Continue discussions with the DDA and downtown businesses about long-term downtown parking solutions related to development of this site



# RESOLUTIONS AND NEXT STEPS-SUMMARY

## 121 E. CATHERINE

FOURTH & CATHERINE PARKING LOT



- Proceed with the development of 121 E Catherine for affordable housing
- Supported by City Council Resolution 19-514 to develop 121 E Catherine (11/18/19)
- AAHC hires development team, starts site plan approval process and secures financing

## 353 S. MAIN

MAIN & WILLIAM PARKING LOT



- Requesting approval from City Council to proceed with the development of 353 S Main for affordable housing
- Designate Ann Arbor Housing Commission as developer
- AAHC hires development team, starts site plan approval process and secures financing

## 721 N. MAIN

PROPOSED PARCEL: 123 N. SUMMIT



- Requesting approval to divide the property between the floodway/floodplain and a 14,520 SF Summit Street facing portion that is not in the floodway/floodplain
- Designate Ann Arbor Housing Commission as developer

## 309 S. ASHLEY

KLINE'S LOT



- The consultant team, in coordination with the DDA will finalize the downtown parking assessment that is currently underway but is difficult to complete until post-COVID normalization. Continue discussions with the DDA and downtown businesses about long-term downtown parking solutions related to development of this site.

**THANK YOU!**

**2020-21 PUBLIC ENGAGEMENT RECOMMENDATIONS**

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**SMITHGROUP**