



# Washtenaw County Brownfield Redevelopment Authority

## Memo

**To: City of Ann Arbor Planning Commission**

**From: Nathan Voght, Washtenaw County Brownfield Coordinator**

**Date: September 28, 2016**

**Re: Resolution to Guide Washtenaw County Brownfield Authority on use of Local Site Remediation Revolving Funding to Support Provision of Affordable Housing in the City of Ann Arbor**

Please find attached a proposed resolution related to affordable housing in the City of Ann Arbor. The Washtenaw County Brownfield Authority has established a new fund pursuant to Act 381, called the Local Site Remediation Revolving Fund (LSRRF), which can be used for eligible brownfield activities on brownfield redevelopment projects. The City of Ann Arbor has participated in the County Brownfield Authority since 2002.

The Authority is interested in supporting affordable housing goals in the City of Ann Arbor, but generally defers land use considerations to the local unit of government, and City Council. The attached resolution is being offered to the City as a way to provide guidance to the Authority to only provide LSRRF funding to any brownfield project with a residential component proposed in the City of Ann Arbor if it includes at least 10% affordable housing and is limited to residents at 60% AMI or lower. This is consistent with the household income targets recommended in the 2015 Housing Affordability and Economic Equity Analysis, which has been adopted by the City of Ann Arbor.

The attached resolution was approved by the Housing and Human Services Advisory Board (HHSAB) on September 8, 2016 which includes representation from City Council. Should the Planning Commission pass the resolution, it would be presented to the City of Ann Arbor Brownfield Committee, which includes four City Council representatives. Should Planning Commission and the City Brownfield Review Committee choose to pass this resolution, it would be forwarded to City Council for consideration.

## **..Title**

Resolution to Guide the Washtenaw County Brownfield Authority on Use of Local Site Revolving Remediation Funding to Support Affordable Housing within the City of Ann Arbor.

## **..Memorandum**

The City of Ann Arbor participates with the Washtenaw County Brownfield Redevelopment Authority (WCBRA). The WCBRA established the Local Site Revolving Remediation Fund pursuant to Act 381, which is funded through Tax Increment Financing capture on each Brownfield Plan approved in the region. The WCBRA expects to receive additional deposits in the LSRRF fund over the next several years. Under the WCBRA's authority, which includes representation from the City of Ann Arbor, it recently adopted a policy on the use of LSRRF funds, in which funds may be awarded as grants to local units of government or non-profits or loans to developers and private entities, to conduct brownfield activities on eligible brownfield properties for which a viable redevelopment proposal exists. The LSRRF policy includes provisions to allow the WCBRA to consider affordable housing as a component to a proposed development.

Washtenaw County has been coordinating an effort to implement various affordable housing strategies in the Ann Arbor urbanized area. This effort was a result of unanimous adoption of the 2015 Housing Affordability and Economic Equity Analysis for Washtenaw County by the City of Ann Arbor, City of Ypsilanti, Ypsilanti Charter Township, Pittsfield Charter Township, and the City of Ann Arbor Downtown Development Authority. The study calls for the City of Ann Arbor to create 140 new affordable housing units per year, for the next 20 years.

The WCBRA's primary function is development and adoption of Brownfield Plans that fund certain environmental and non-environmental activities to allow the redevelopment of previously contaminated and/or blighted properties. The WCBRA has typically deferred specific evaluation of land use and the various community benefits beyond brownfield activities of a proposed development to the local unit of government. The WCBRA's role has been to assist with development and adoption of a Brownfield Plan, where the specific purpose is the feasibility and adequacy of using tax increment financing to conduct brownfield activities. However, LSRRF funds present an opportunity to specifically support other goals within the City of Ann Arbor. Therefore, this resolution requests that the WCBRA only grant or loan funds to projects that increase the supply of affordable housing within the City of Ann Arbor, use of LSRRF funds for such projects can be awarded by the WCBRA in a way that is consistent with this desire.

An increase in the supply of affordable housing units is recommended in the adopted Housing Affordability and Economic Equity Analysis of 2015, the City's Master Plan and the 2013 inclusion of Diverse Housing within the Sustainability Framework, and the Housing goals of the 2003 Ann Arbor Downtown Development Authority Development Plan and Tax Increment Financing Plan.

The WCBRA desires to support the wide array of stated affordable housing goals of the City, and is requesting this guidance resolution to direct future provision of LSRRF funds within the City. Specifically, that any requested LSRRF funds for residential projects within the City of Ann Arbor only be awarded to those projects that provide a minimum of 10% of total units as affordable housing.

### **..Staff**

Prepared by: Nathan Voght, Brownfield Program Specialist

Reviewed by: Andrea Plevak, Interim Director, Office of Community and Economic Development  
Brett Lenart, Planning Manager

### **..Body**

Whereas, the WCBRA maintains a Local Site Revolving Remediation Fund, and by 2018, funds will become available to assist with the redevelopment of brownfield sites in the region, and which can also be utilized to achieve other significant community goals; and

Whereas, WCBRA maintains the LSRRF funds to support redevelopment of brownfield sites within the region, and is seeking guidance from the City of Ann Arbor to support the increase in supply of affordable housing, as clearly articulated in multiple community plans, studies, and goals; and

Whereas, the 2015 Housing Affordability and Economic Equity Analysis has been adopted by the City of Ann Arbor and all other local units of government representing the Ann Arbor/Ypsilanti Urbanized Area, and using Brownfield incentives, such as LSRRF funds is one possible tool to increase the affordable housing supply; and

Whereas, in 2013 the Sustainability Framework, which calls for Diverse Housing, was incorporated into the City of Ann Arbor Master Plan; and

Whereas, the 2003 Ann Arbor Downtown Development Authority Development Plan and Tax Increment Financing Plan calls for a diverse downtown population, which requires a wide variety of housing opportunities;

RESOLVED, That the City of Ann Arbor Planning Commission recommends that the City of Ann Arbor City Council request that the WCBRA only loan or grant LSRRF funds, for any residential projects seeking such funds within the City of Ann Arbor, that provide at least a mix of 10% of the proposed units for households at or below 60% of Area Median Income, and rents for designated units shall not exceed Fair Market Rents annually published by HUD for Washtenaw County.

RESOLVED, the designated unit mix should reflect the mix of unit type and size within the overall development;

RESOLVED, That the proposed units shall be affordable for a minimum of 20 years;

RESOLVED, That the WCBRA shall coordinate with the City and LSRRF recipient as necessary to determine the most suitable manner in which the proposed affordable units be administered;

RESOLVED, any required loan or grant agreements between the WCBRA and LSRRF recipient shall reflect and ensure the affordable housing requirement.