



TO: Jennifer Hall, Executive Director  
Ann Arbor Housing Commission Board of Directors

FROM: Lori Harris

RE: West Arbor Update

DATE: February 11, 2015

Please accept the following update related to the redevelopment of N. Maple Estates/Duplexes. As you are aware, in late 2014 MSDHA announced that the West Arbor Low Income Housing Tax Credit application was approved for funding. And, at the end of January the LIHTC Agreement reserving the credits was executed by the AAHC-controlled entity securing the award.

With the credits in hand, the team has been working on developing a project schedule that targets an early summer construction start. Below please find some key milestones to be completed prior to the start of construction:

Solicitation of Debt/Equity Proposals – Norstar is in the process of soliciting equity proposals from prospective debt and equity providers. We plan to have a recommendation to AAHC by early March for consideration and approval.

HUD Approvals Required – Norstar and AAHC are working to complete a number of HUD-related tasks required prior to the RAD closing including but not limited to: federal environmental clearance (NEPA), Subsidy Layering Review, and submission of all of required materials to satisfy the RAD closing checklist. Many of these approvals are in progress and will be complete by early spring.

Relocation – As outlined in the draft Relocation Plan for the project, the existing units at N. Maple Estates will be demolished and the residents in those units will have to be relocated away from the site during construction. Under the Uniform Relocation Act, tenants that must be relocated for a period in excess of 12 months are considered to be “permanently relocated”. While each of the existing tenants has the right to return following construction, the Plan ensures that relocation activities are handled in the proper manner. An informational meeting with tenants is being held February 19th, and the draft Relocation Plan and request for approval to begin the process has been submitted to HUD for their consideration and approval. Please note that the tenants residing in the four (4) units at N. Maple Duplexes will not have to be relocated during the entire term of construction. They likely will have to be temporarily relocated for 30 to 90 days.



Other Funding – As you are aware, AAHC was successful in securing City Trust Funds and a federal Challenge/Sustainability Grant to assist with a portion of the cost of the project. Norstar and AAHC are working on the submission of a Federal Home Loan Bank application for funding that will assist in filling the current funding gap. The FHLB is due in early March and award announcements will likely be made in late spring.

Final Design/Construction Plans - The design team has been working with AAHC and Norstar Building in scoping the specifications to be included in the project. This process will continue over the next 60 days or so. Once the final scope of the project is finalized, construction drawings will be prepared by late spring to coincide with the early summer closing and construction start.

The next few months will include a great deal of activity and we will plan on providing a monthly update and a more specific schedule as early tasks are completed. Thank you.