



2021 Ann Arbor Affordable Housing Millage & Development of City-Owned Properties

Jennifer Hall, Executive Director Ann Arbor Housing Commission

JHall@a2gov.org

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BALLOT LANGUAGE

- Shall the Charter be amended to authorize a new tax up to 1.000 mills for construction, maintenance, and acquisition of new affordable housing units for low-income individuals and families making less than 60% Ann Arbor Area Median Income, and for providing social services for the residents of such housing for 2021 through 2041, which will raise in the first year of levy the estimated revenue of \$6,550,505.

CHARTER LANGUAGE

- SECTION 8.25. In addition to any other amount which the City is authorized to raise by general tax upon real and personal property by this Charter or any other provision of law, the City shall, in 2021 through 2041, annually levy a tax of up to one mill on all taxable real and personal property situated within the City for the purpose of building, maintaining, and acquiring new affordable housing units which are permanently affordable to low-income households making no income up to 60% of area median income and providing social services, not to exceed 20% of the millage revenues over the entire term of the millage, for the residents of such housing. No money collected pursuant to this millage shall be spent on building, maintaining, or acquiring new units located in the floodplain or floodway.

2021 Ann Arbor Area Median Income

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$22,400	\$25,600	\$28,800	\$31,950	\$34,550
50%	\$37,300	\$42,600	\$47,950	\$53,250	\$57,550
60%	\$44,800	\$51,200	\$57,600	\$63,900	\$69,100
80%	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300
100%	\$74,600	\$85,200	\$95,900	\$106,600	\$115,100
120%	\$89,600	\$102,400	\$115,200	\$127,800	\$138,200

Ann Arbor Primary Metropolitan Statistical Area includes all of Washtenaw County – Median Family Income = \$106,600; USA = \$79,900

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

Affordable Monthly Housing Costs Based on 30% of Income

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$560	\$640	\$720	\$799	\$864
50%	\$933	\$1,065	\$1,199	\$1,331	\$1,439
60%	\$1,120	\$1,280	\$1,440	\$1,598	\$1,728
80%	\$1,399	\$1,599	\$1,799	\$1,998	\$2,158
100%	\$1,865	\$2,130	\$2,398	\$2,665	\$2,878
120%	\$2,240	\$2,560	\$2,880	\$3,195	\$3,455

Guidelines Adopted by City Council

July 27, 2020

Socio-Economic Diversity

All Neighborhoods
100% Affordable
Mixed-Income
Group Homes
Apartment Complexes

Inclusive & Equitable

Special Needs
Seniors
Persons with a Disability
Youth Aging out of Foster Care
Homeless

Resident Services

Mental Health
Physical Health
Financial Services
Job Skills & Employment
Daily Living Skills
Crisis Management
Conflict Resolution
Youth Programming

Guidelines Adopted by City Council

Development

New Construction
Acquisition
Demolition
Infrastructure
Utilities
Renovations

Leverage

Maximize
Other Resources
Philanthropic
Public
Private

Sustainability

Energy Efficient
Green Construction
Net Zero

Permanent Affordability

Publicly-Owned Properties
Ann Arbor Housing Commission
Mission Driven Non-Profits
Cooperatives
Owner Models with
Permanent Affordability

Affordable Housing Millage Strategy

- Develop the first 2-year budget based on known AAHC & other mission-driven non-profit projects in the pipeline
 - Includes development of City-owned properties
- Build in flexibility to acquire properties unexpectedly on the market
- Develop application process for non-AAHC projects with the City's Housing and Human Services Advisory Board (HHSAB)
- Capital funding can precede services funding by several years
 - Need to track ongoing annual service requests tied to capital projects

FY22 Adopted City Budget

Affordable Housing Millage

Recurring Operational

- \$350,000 3 Development FTE's
- \$400,000 Predevelopment due diligence and earnest money

Development Projects

- \$1.1M Avalon's The Grove at Veridian
- \$300K Avalon's Hickory Way
- \$1.2M AAHC 121 E Catherine
- \$1.1M AAHC 350 S 5th

Capital Projects

- \$1.7M Fire Suppression
 - Miller Manor
 - Baker Commons
 - Lurie Terrace

Services

- \$124K Avalon's Hickory Way

FY23 DRAFT City Budget

Affordable Housing Millage

Recurring Operational

- \$350,000 3 Development FTE's
- \$400,000 Predevelopment due diligence and earnest money

Development Projects

- \$250K Avalon's Hickory Way
- \$1.3M AAHC's 353 S Main
- \$4M AAHC's 350 S 5th

Capital Projects

- \$0

Services

- \$183K Avalon's Hickory Way

Affordable Housing Millage

Avalon Development & Tenant Services Projects

Hickory Way

- 3 Phases
 - 34 units Phase I - Completed
 - 36 units Phase II – Temp CofO
 - 14 units Phase III – City acquired property & purchase agreement drafted to sell to Avalon
- All 1 bedroom
- Mixed Income
 - 30% AMI & reserved for households who are homeless or special needs
 - 50% AMI
 - 60% AMI
- \$26.5M Total Development Costs
 - \$550K City millage



Avalon – The Grove at Veridian

- 50 affordable apartments
 - 1 to 4 Bedrooms
 - 30 units up to 30% AMI & reserved for households who are homeless or special needs
 - 20 units up to 60% AMI
- Site Plan Approved
- \$17.5 Million Total Development Costs
 - \$1.1M City millage funds
 - All funding secured except Low-Income Housing Tax Credits



AAHC Projects

350 S 5th

Next Step: Planning Commission & City Council PUD Area Plan

After PUD approved, will issue Request for Proposal for Co-Developer

- 2 Phases/Towers
 - ~90 units Phase I
 - ~280 units Phase II
- Studio, 1Bdr, 2Bdr
- Mixed Income
 - Minimum of 40% of total residential units affordable up to 60% AMI
 - Set-aside for 30% AMI households who are homeless and/or special needs
 - Market Rate
- 290K Gross Square Footage
- Up to 20 stories



PUD ADDITIONAL DESIGN CONSIDERATIONS

INITIAL ENGAGEMENT



MAXIMIZE
AFFORDABLE
HOUSING



IMPROVED
OPERATIONS
BLAKE TRANSIT
CENTER

PRE-ENTITLEMENT REFINEMENT CONSIDERATIONS



DTE
EASEMENT



DEDICATED SERVICE/
LOADING LANE



IDLING BUS
EMISSION
CONSIDERATIONS



PHASED
PROJECT



TRANSIT ORIENTED
BEST PRACTICES



UNDERGROUND
PARKING
POTENTIAL
FEASIBILITY



DEDICATED 30 FT
BUS LANE
(4 BUS BAYS,
SAW-TOOTH)



FUTURE
ON-STREET
TRANSIT
EXPANSION

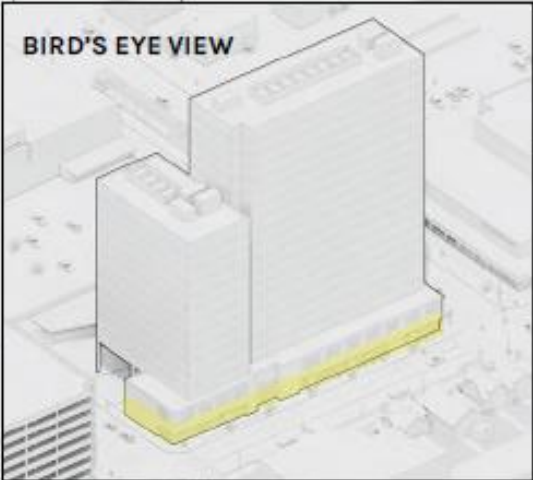
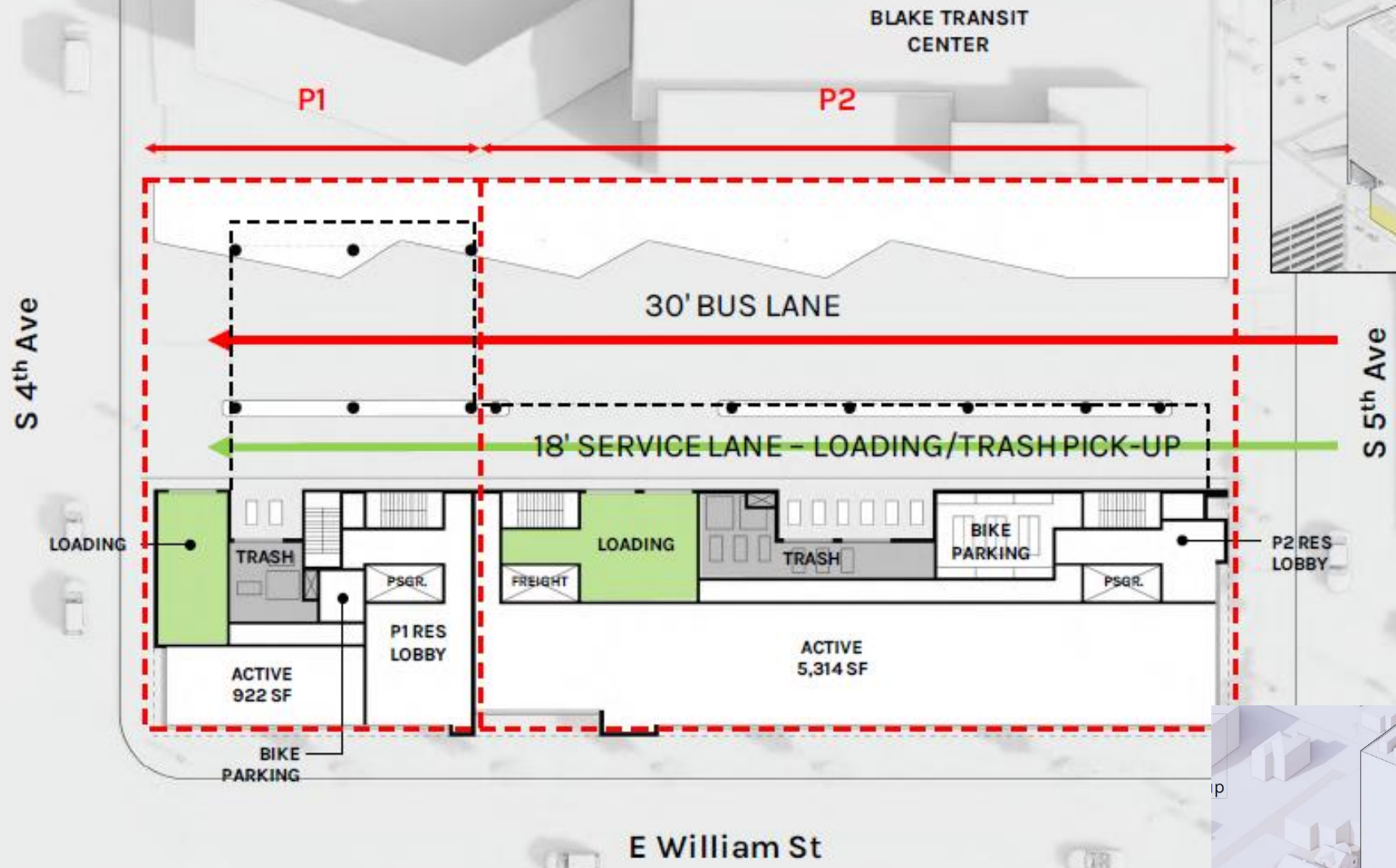


VERTICAL
CIRCULATION/
EGRESS REQ.



LAND COST

LEVEL 1 FLOOR PLAN



121 E Catherine

- 60 – 85 units
- 5 - 6 stories
- 100% Affordable
- up to 60% AMI

Next Steps

- RFP for Co-Developer due Dec 7th
- Enter into contract with co-developer
- Site plan approval process
- Secure financing

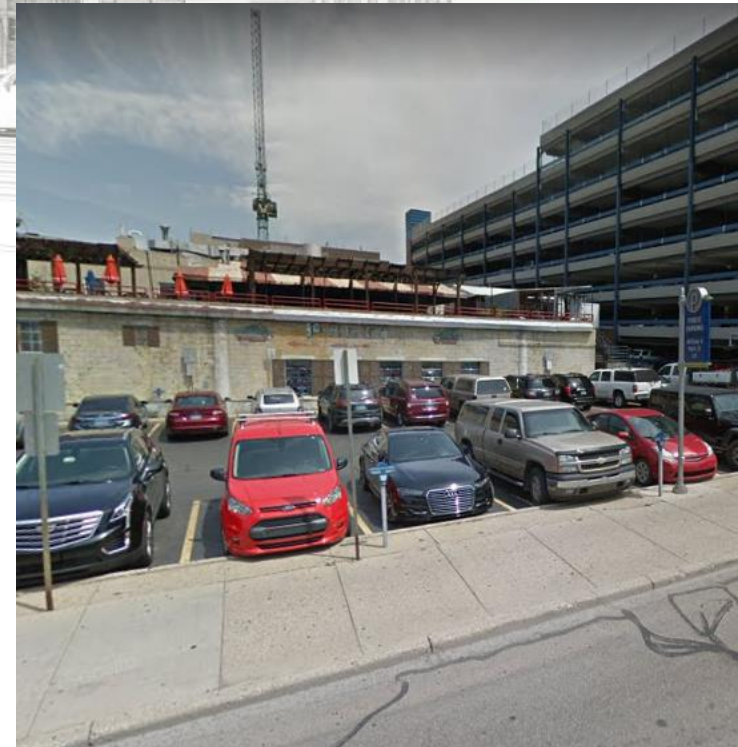
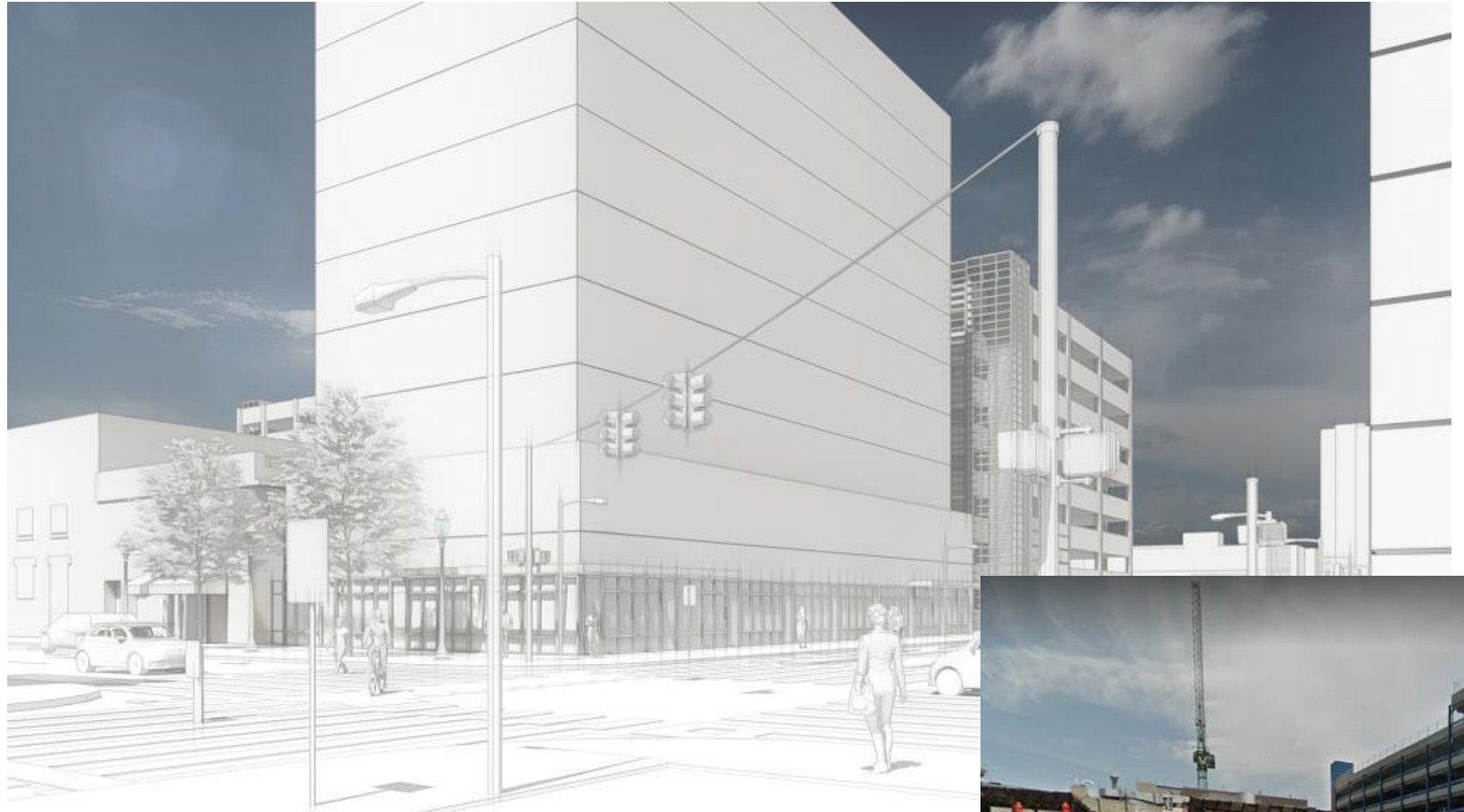


353 S. Main

- 50 – 90 units
- 6 – 10 stories
- 100% Affordable
- up to 60% AMI

Next Steps

- RFP for Co-Developer due Dec 7th
- Enter into contract with co-developer
- Site plan approval process
- Secure financing



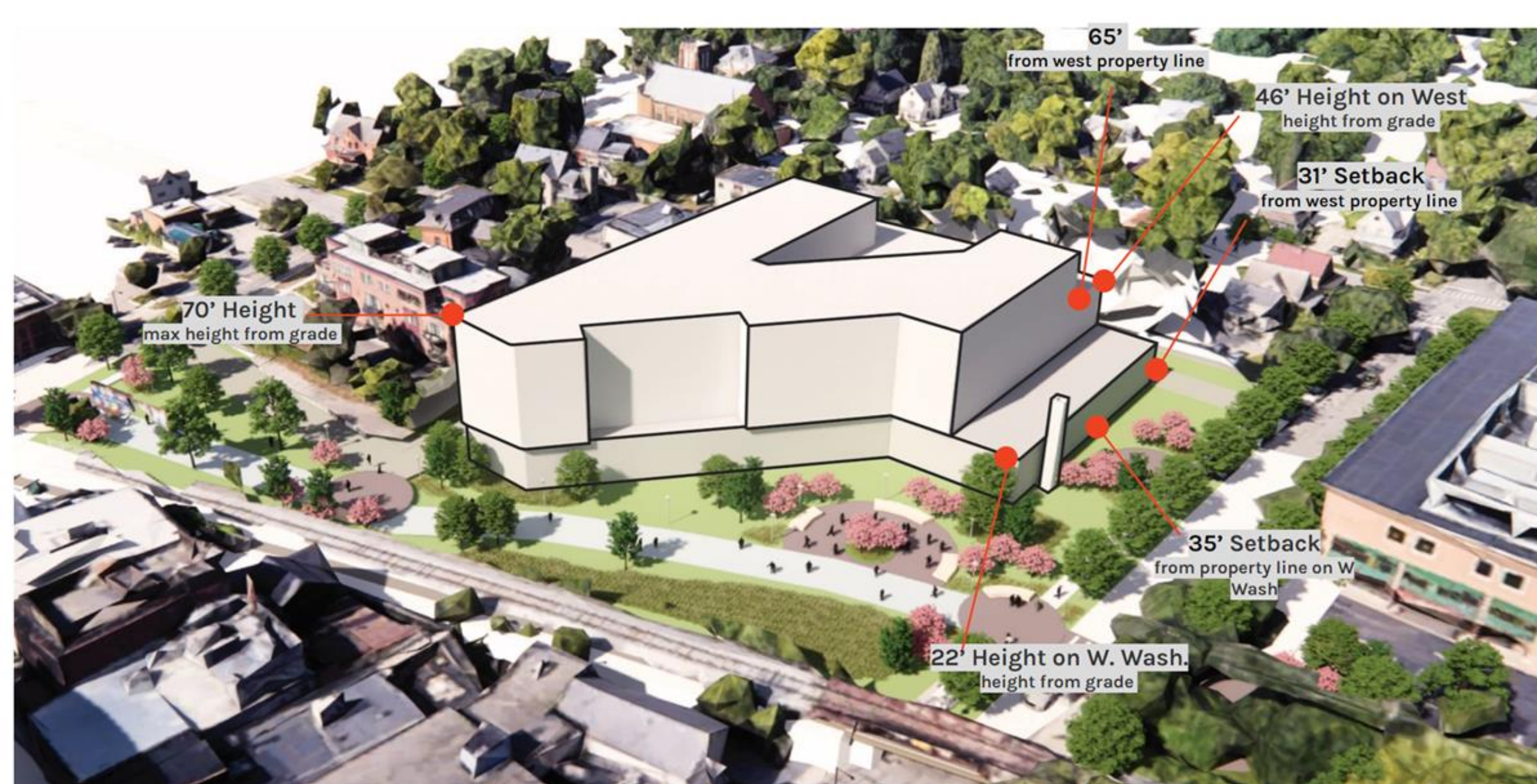
415 W. Washington

- ~ 150 units
- 2 – 6 stories
- Income
 - Market rate
 - If Brownfied TIF, must include 15% affordable up to 60% AMI

Next Steps

- PUD Area Plan submitted to
 - Historic District Commission
 - Next to Planning Commission Dec 14th
- After PUD approved, will issue RFP for a developer





721 N Main/123 W Summit

- 18-32 units
- 2 – 3 stories
- All affordable to households up to 60% AMI

Next Steps

- Lot Split
- Issue RFP for a developer
- Site plan approval process





404 - 406 N Ashley



✓ No Negative Site Issues



✓ LIHTC Eligible

✓ High Scoring



✓ Perfect Size to Max Out Funding

✓ 60 - 85 units



✓ HUD and MSHDA Funding Eligible



✓ DDA and Millage Funding Eligible



✓ Minimal Local Resources Needed



✓ UM Dental Clinic Lease Expires 6/2024

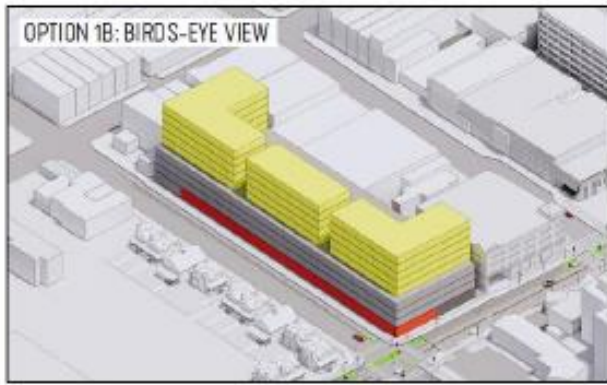
✓ Work with UM to Relocate

AAHC approved by City Council as Developer: Can Begin Design and Site Plan Approval Process 2023/2024

309 S ASHLEY

MASSING OPTIONS

OPTION 1: KEY DOWNTOWN PARKING SITE



OPTION 2: NOT A KEY DOWNTOWN PARKING SITE



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



Public Parking Structures	P
Public Parking Lots	P

- 20

2000 S. Industrial



✓ **Underground Storage Tank**



✓ **NOT LIHTC Eligible**

✓ **NOT HUD & MSHDA Funding Eligible**



Adjacent to Railroad



✓ **Large Site – High Potential**

✓ **50 - 165 Units**

✓ **Test Site for Revenue Bond Financing**



✓ **Millage Funding Eligible**



✓ **AAHC Office/Maintenance Relocation**



✓ **High Local Subsidy Per Unit**

Next Steps: Need a city-wide space needs assessment to determine what should be developed on site besides housing

1510 E Stadium



✓ No Site Issues



✓ LIHTC Eligible

✓ Scores Poorly Based on Location

✓ Small for Stand-Alone LIHTC

✓ 8 - 23 Units



✓ HUD & MSHDA Funding Eligible

✓ Millage Funding Eligible



✓ Demolition of Fire Station

✓ Or Potential AAHC Office/Maintenance

✓ Temporary or Permanent



✓ High Local Subsidy Per Unit

Next Steps: Wait until Fire Station #2 staff can move to Fire Station #1, then redevelop



Platt & Springbrook



✓ No Site Issues



✓ LIHTC Eligible

✓ Scores Poorly Based on Location



✓ Too Small for Stand-Alone LIHTC

✓ 12-14 Units



✓ HUD & MSHDA Funding Eligible



✓ Expensive Infrastructure Per Unit

✓ Road

✓ Water and Sewer



✓ High Local Subsidy Per Unit

Next Steps: Community Engagement related to Density, Owner/Rental, single-family/multi-family

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 th	400 - 418	130	418
415 W Washington	130 - 150	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
TOTALS		503	1,511**

*Challenging sites for affordable housing financing

** All units could be affordable with deep local subsidies