



## BROWNFIELD PLAN FOR:

**1514 White Street, Ann Arbor, Michigan**

**Washtenaw County Brownfield Redevelopment Authority**

c/o Washtenaw County Office of Community & Economic Development  
415 W. Michigan Avenue, Suite 2200  
Ypsilanti, Michigan 48197

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## PROJECT SUMMARY

Project Name:	1514 White Street, Ann Arbor Housing Commission Redevelopment
Estimated Investment:	\$18,000,000
Project Location:	<p>The project site is bounded by residential to the north, White Street to the east, Henry Street to the south, and State Street to the west. The eligible property is the following parcel of land and contiguous public rights of way:</p> <ul style="list-style-type: none"><li>• 1514 White Street (09-09-33-318-001),</li></ul>
Property Eligibility:	<p>The Property meets the definition of a blighted property, pursuant to P.A. 381 of 1996, as amended, as established by Ann Arbor City Council Resolution # passed on December 18, 2017. The Property is occupied by existing, vacant public housing units, which pose a public nuisance and will be demolished. The public rights of way for State Street, White Street, and Henry Street are eligible because they are contiguous to the eligible parcel.</p>
Eligible Activities:	<p>The Ann Arbor Housing Commission will utilize grant and loan funding awarded by the Washtenaw County Brownfield Redevelopment Authority from its Local Brownfield Revolving Fund (LBRF). The initial (minimum) award is a \$200,000 grant, which will fund the demolition of the existing blighted buildings and demolition of site features like curbing, paving, abandoned utilities. An additional \$600,000 in LBRF funding has been requested from the Brownfield Authority, but will not be considered until the owner secures primary construction financing. However, this Plan includes all possible Eligible Activities that <i>could</i> be funded using Local Brownfield Revolving funds, as approved by the Washtenaw County Brownfield Authority. The following Eligible Activities are included:</p> <p><b>Department Specific Activities</b> – Environmental Assessment Activities, due care activities.</p> <p><b>Non-Environmental Activities</b> – Building and Existing Utility Demolition, infrastructure improvement, site preparation, and additional activities and 15% in contingency costs.</p>
Eligible Costs:	<p>Department Specific – \$ 50,000</p> <p>Non-Environmental – \$ 1,221,387</p> <p>Total – \$1,271,387</p>
Capture Period	<p>Total capture period – Not applicable; no Tax Increment Capture/Financing or developer reimbursement proposed. The property will be non-taxable. The purpose of this Brownfield Plan is to establish eligibility for use of Local Brownfield Revolving Funds to conduct Eligible Activities under Act 381.</p>
Project Summary:	<p>The Ann Arbor Housing Commission (AAHC) will be redeveloping two distinct existing public housing sites. The LBRF funding will support eligible activities at the White State Henry housing site, which is a 28-unit property designated as Blighted by Ann Arbor City Council Resolution. The existing buildings, utilities, and site features will be demolished, and 32 new housing units will be constructed. The AAHC has requested the City of Ann Arbor City Council designate the site as Blighted under Act 344 of 1945 therefore eligible for</p>

brownfield assistance under Section 2 of Act 381 of 1996. LBRF funding is being sought to assist with Eligible Activities. Specifically, costs associated with demolition of the existing buildings, site features and site utilities, and the installation of new public infrastructure to support the new construction.

The project will serve low-income households and will also provide supportive services to the tenants. The Ann Arbor Housing Commission selected the White Street site for permanent supportive housing units due to its ideal location and easy access to amenities.

## I. INTRODUCTION

### A. PLAN PURPOSE

The Washtenaw County Brownfield Redevelopment Authority (Authority; WCBRA), duly established by resolution of the Washtenaw County Board of Commissioners, pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (Act 381), is authorized to exercise its powers within the limits of the Washtenaw County, acting on behalf of and in cooperation with its member communities. The purpose of this Brownfield Plan (the Plan), to be implemented by the WCBRA, is to satisfy the requirements of Act 381 for including the eligible property described below, designated as 1514 White Street in Ann Arbor, Michigan (the “Property”), in a Brownfield Plan. The Property is located within the boundaries of the City of Ann Arbor, a WCBRA member community.

The Authority proposes to implement this Plan to promote economic development and brownfield redevelopment within the County. This Plan will permit the Authority to grant funds to the owner to utilize Local Brownfield Revolving Funds on Eligible Activities on Eligible Property, pursuant to P.A. 381 Sec. 8 (4). Capture of incremental taxes (tax increment revenues; TIR) is not included in this Plan as the property is owned by a public entity that is exempt from ad valorem taxes. The establishment of the site as an Eligible Property, which will allow the expenditure of Local Brownfield Revolving Fund monies, is critical to the economic viability of the project and successful redevelopment of the public housing site.

### B. PROPERTY DESCRIPTION

The Property consists of one tax parcel occupying approximately 38,000 s.f. (0.9 acres) of vacant land bounded by White Street, Henry Street, and State Street in the City of Ann Arbor. The eligible Property also includes contiguous portions of the public rights of way for the adjacent streets. The parcel address and tax identification number is as follows:

Primary address(s)	Tax ID
1514 White Street	09-09-33-318-001

Additional property information is provided in Section III (G).

### C. BASIS OF ELIGIBILITY

The Property is eligible for inclusion in this Brownfield Plan in accordance with MCL 125.2652(n) the Property meets the definition of a blighted property, pursuant to P.A. 381 of 1996, as amended, as established by Ann Arbor City Council Resolution passed on December 18, 2017. The Property is occupied by existing, vacant public housing units, which pose a public nuisance and will be demolished. The public rights-of-way for State Street, White Street, and Henry Street are eligible because they are contiguous to the eligible parcel.

### D. PROJECT DESCRIPTION

#### THE PROPERTY

Located at 1514 White Street, White State Henry Apartments is a property that was built in 1948 and acquired by the Ann Arbor Housing Commission (AAHC) in the early 1970's with HUD public housing funding. The City of Ann Arbor is currently the deed holder and City Council has agreed to transfer ownership of the property to the AAHC when it is redeveloped. This low-income multi-family building consisting of apartments, associated parking areas, and landscaping.

The apartments are contiguous and located along White Street, State Street and Henry Street. Parking is situated along the north side of the building complex, with vehicle access from State Street and White Street. The adjoining properties to the north, south and east are residential. A University of Michigan campus building and parking adjoins the site to the west.

The existing two-story building contains 28 apartment units and a basement in each building. Wastewater generated at the property is discharged to the City of Ann Arbor sanitary sewer. Additionally, surface run off from the Subject Property is collected by existing storm sewers and discharged to the City of Ann Arbor municipal storm sewers.

## **THE REDEVELOPMENT**

The Project is an integral part of the Ann Arbor Housing Commission's plan to convert its public housing portfolio under the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) Program. The White State Henry site is part of the proposed Swift Lane project consisting of 64 new residential units on two (2) scattered sites. The new 3-story building at White State and Henry site will include (32) units and a community room, totaling 35,592 square feet. The project will include twenty-three (23) one bedroom-one bathroom units (816 sf) and nine (9) two bedroom-one bathroom units (900 sf).

The project was approved for re-zoning as a Planned Unit Development (PUD) by meeting the public objective of providing affordable housing. The PUD approved a reduction to the on-site parking requirements to 14 parking spaces.

The two existing curb cuts off S. State Street and White Street will continue to be used, with two-way traffic circulation off White Street and exit only onto S. State Street. Fourteen parking spaces will be located on the north side of the building, with on-street parking permitted on both White and South State Streets. This site is located on an AAATA bus line. Five enclosed bicycle parking rooms will be located on the first floor, between units.

Currently, there is no storm water detention on site. Detention for the one-hundred year storm will be located underground in the center of the site under the parking lot. This site has porous soils and has been designed to the new Rules of the Washtenaw County Water Resource Commission.

Under RAD, the AAHC is able to exchange operating and capital subsidies under the Public Housing program for long-term Section 8 project-based voucher (PBV) contracts. Participating in the RAD program enables the AAHC to access private financing to renovate public housing properties, consistent with other federally-assisted housing programs. This is a means of retaining the long-term viability of the public housing resources in the community.

The project is a permanent supportive housing development with 25% of all units targeted to households which meet the MSHDA definition of Eligible Supportive Housing Tenants. Further, it should be noted that the Permanent Supportive Housing units will be targeted to households at or below 30% of Area Median Income.

## **BROWNFIELD CONDITIONS**

### **Failing Physical Conditions at White State Henry Apartments**

Since AAHC submitted the RAD application to HUD in 2012, the conditions at White State Henry Apartments (WSH) have further deteriorated to a point that AAHC is relocating all of the tenants at the property to other locations. By the end of the calendar year, only three units will be occupied and AAHC is working to move those households in the new year.

The roof and roofing components continue to degrade which is causing multiple leaks and ceilings are collapsing in units and common areas. The windows are deteriorating due to building settling and many cannot be opened or closed, which is a fire hazard for occupied units. The plumbing is beyond its useful lifespan, and especially the drain lines, buried sanitation lines, and plumbing in the walls. The cast iron and steel plumbing that is buried and within the walls are degrading and failing and needs to be completely replaced.

The electrical needs to be upgraded and is in questionable condition. All of the electrical panels, fixtures, switches and outlets all need to be replaced. The building does not have fire suppression anywhere but in the basement. The bathrooms are still original and all of the toilets, tubs, sinks, and tile are in disrepair and need replacing. The kitchen cabinets, sinks, countertops have not been replaced since the 1970's and most are damaged and many are dysfunctional. The parking lot is crumbling and many of the sidewalks are crumbling and need to be replaced. To fix all of these problems would trigger, by code, the need to bring the entire building up to the modern code, which is financially and architecturally infeasible.

### **Non-Compliant with the Americans with Disabilities Act (ADA)**

Generally, Title II of the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, is applicable when housing is built or rented with the use of federal funds. Under the HUD regulations implementing Section 504, new multi-family housing (five or more dwelling units) designed or constructed after July 11, 1988 must be readily accessible to and usable to individuals with disabilities. This standard is met if a minimum of 5 percent of the total dwelling units, but not fewer than one unit, is accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. 24 C.F.R. § 8.22(b). It is possible for HUD to prescribe a higher number of accessible units if requested and upon demonstration of need. 24 C.F.R. § 8.22

While the site has been exempted to date from the ADA requirements because it was constructed prior to 1988, to make significant investment in the property to a level to meet the HUD requirements would be not only cost prohibitive but also the structure cannot be renovated to accommodate accessibility because of the existing design. Over 40% of the AAHC's tenants have physical disabilities and there are no accessible or visitable units at this property.

## **II. GENERAL DEFINITIONS AS USED IN THIS PLAN**

All words or phrases not defined herein shall have the same meaning as such words and phrases included in Act 381.

## **III. BROWNFIELD PLAN**

### **A. DESCRIPTION OF COSTS TO BE PAID WITH TAX INCREMENT REVENUES AND SUMMARY OF ELIGIBLE ACTIVITIES**

This Brownfield Plan is being developed for the purpose of establishing eligibility under Act 381 for the Brownfield Authority to authorize the owner to expend Local Brownfield Revolving Funds on Eligible Activities on Eligible Property. Capture of Tax Increment Revenues for purposes of developer reimbursement is not included in this plan.

The Washtenaw County Brownfield Authority has awarded \$200,000 for demolition activities on the property, and a request for up to an additional \$600,000 will be considered once the project has received project financing. For purpose of this Plan, the assumption is that up to \$800,000 in Local Brownfield Revolving Funds will be utilized on the property for Eligible Activities.



The total cost of Eligible Activities associated with the Property, of which up to \$800,000 will be funded with LBRF, include Department Specific and Non-environmental Activities totaling \$50,000 and \$1,221,387, respectively. The eligible Department Specific and Non-environmental Activities are summarized in Tables 1a and 1b, respectively (Appendix A). The individual costs of eligible Department Specific and Non-environmental Activities eligible are estimated and may increase or decrease, depending on the nature and extent of unknown conditions encountered during redevelopment. No more than \$800,000 in Eligible Activities will be supported with LBRF funds, subject to final approval by the Washtenaw County Brownfield Authority.

Eligible Department Specific Activities include environmental assessment activities, due care activities; and 15% in contingency costs for field/construction-related activities. Environmental assessment activities include a Phase II environmental site assessments (ESAs), which was conducted prior to Brownfield Plan approval.

Eligible Non-environmental Activities consist of demolition, infrastructure improvements, site preparation, and proportional construction management costs. Demolition activities include building demolition, and the removal and disposal of residual pavements and underground utilities and materials on site. Infrastructure improvements include improvements to public utilities, streetscapes in the adjoining street rights-of-way (ROW) including sidewalks and driveways, and subgrade urban stormwater detention system under the parking lot. Eligible site preparation activities include barricades, mobilization, surveying and temporary controls. Eligible soft costs include design, engineering, construction management, and general condition costs.

No costs of Eligible Activities will be qualified for LBRF grant and loan funding except to the extent permitted in accordance with the terms and conditions of the LBRF Grant and Loan Agreements between the Brownfield Authority and applicant, and Sections 7 and 8 of Act 381 of 1996, as amended (MCL 125.2652). The Grant and Loan Agreements will dictate the total cost of eligible activities to be funded with grant and loan Local Brownfield Revolving Funds. This Plan shall serve to provide a maximum funding level for all possible Eligible Activities to be funded with LBRF funds, subject to explicit approval of the Washtenaw County Brownfield Authority for actual grant and loan awards.

## **B. ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES**

This Plan does not include capture of Tax Increment Revenues to reimburse for Eligible Activities. The purpose of this Plan is to establish eligibility to utilize LBRF grant and loan funds for the applicant to conduct certain Eligible Activities.

## **C. METHOD OF FINANCING PLAN COSTS AND DESCRIPTION OF ADVANCES BY THE MUNICIPALITY**

The applicant will be responsible for conducting all Eligible Activities and funding the same. The Washtenaw County Brownfield Authority, nor Washtenaw County, nor the City of Ann Arbor will advance any LBRF funds. The LBRF Grant and Loan Agreements will dictate the terms under which the applicant utilizes and grant and loan funds to conduct Eligible Activities.

Reimbursements under the LBRF Grant and Loan Agreements shall not exceed the cumulative eligible costs limit described in this Plan, unless the Plan is further amended.

## **D. MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS**

Not applicable.

## **E. DURATION OF BROWNFIELD PLAN**

The duration of this Brownfield Plan for the Property shall be the time required to 1) conduct all Eligible Activities and 2) fully reimburse all loan principal due, plus any applicable fees and interest, as determined by the Loan Agreement; or 3) the maximum duration provided for in Act 381 (MCLA 125.2663(22)).

## **F. ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS**

This Plan does not include Tax Increment Financing, therefore there will be no impact on taxing jurisdictions.

## **G. LEGAL DESCRIPTION, PROPERTY MAP, PROPERTY CHARACTERISTICS AND PERSONAL PROPERTY**

The Property consists of approximately 0.9 acres having an address of 1514 White Street. A Property survey and legal description is included in Appendix C.

## **H. ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES**

All of the residents have moved to other AAHC properties except for three families who will be relocated by February 2018 utilizing AAHC rental vouchers. These 3 families requested that they receive a Section 8 voucher rather than move to another AAHC property. The AAHC is paying for all relocation costs under the federal Uniform Relocation Act as required by HUD. Therefore, a demographic survey and information regarding housing in the community are not applicable and are not needed for this Plan.

## **I. PLAN FOR RELOCATION OF DISPLACED PERSONS**

No persons will be permanently displaced as a result of this development; therefore, a plan for relocation of displaced persons is not applicable and is not needed for this Plan.

## **J. PROVISIONS FOR RELOCATION COSTS**

All of the tenants except three households will be temporarily relocated to other AAHC properties. All of the households that are temporarily relocated have the option of moving back to White Street after construction or staying where they are. Three households decided that they wanted to move to another city to be near family, instead of moving to another AAHC property in Ann Arbor. These three families are in the process of moving with a Housing Choice Voucher, which will provide a long-term rental subsidy for as long as the households are income-eligible. All relocation costs for all of these tenants will be paid by the AAHC under the federal Uniform Relocation Act (URA) as required by HUD. Relocation costs include counseling services and moving costs as defined by the URA.

## **K. STRATEGY FOR COMPLIANCE WITH MICHIGAN'S RELOCATION ASSISTANCE LAW**

No persons will be permanently displaced as result of this development; therefore, no relocation assistance strategy is needed for this Plan.

**L. DESCRIPTION OF THE PROPOSED USE OF LOCAL BROWNFIELD REVOLVING FUND (LBRF)**

Up to \$800,000 in WCBRA Local Brownfield Revolving Fund (LBRF) will be used to finance or reimburse eligible activities described in this Brownfield Plan. The final actual amount will be as approved by the Washtenaw County Brownfield Authority, but will not exceed the maximum amount in this Plan.

**M. OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT**

The LBRF funding will provide critical financial support for a development that will provide needed affordable housing in the City of Ann Arbor.

## APPENDIX A

### SUMMARY OF ELIGIBLE ACTIVITIES AND COSTS

#### **TABLE 1A. DEPARTMENT SPECIFIC ACTIVITIES**

ENVIRONMENTAL INVESTIGATION      \$50,000

#### **TABLE 1B. NON ENVIRONMENTAL ELIGIBLE ACTIVITIES**

##### **LBRF ELIGIBLE COSTS DETAIL AT WHITE STATE HENRY SITE OF SWIFT LANE PROJECT \***

7.5.17

\* Estimated Eligible Costs - Actual Costs to be provided following construction to confirm eligible costs

	LBRF Eligible at WSH	Detail
Miscellaneous	\$ 8,000	Barricades, pumping, mobilization
Existing Site Utility Demolition	\$ 57,300	Water, Sewer and Stormwater
Sanitary Sewer	\$ 91,395	Lines and leads into buildings public
Storm Sewer	\$ 498,679	See Detail in Civil plans
Water Main & removal & replace	\$ 114,273	See Detail in Civil plans
Fire Suppression	\$ 14,080	Phase II for WSH
ROW Infrastructure	\$ 74,930	Open Cut White and State Streets, paving
Sidewalks	\$ 9,319	See Detail in Civil plans
Dumpster	\$ 12,255	
Paving System for Underground Storage	\$ 191,156	See Detail in Civil plans
Demolition - Existing Building	\$ 200,000	
<b>Total LBRF Eligible Costs at White State Henry Site</b>	<b>\$ 1,271,387</b>	

## **APPENDIX B**

### **SUMMARY OF TAX INCREMENT FINANCING AND IMPACTS ON TAXING JURISDICTIONS**

## **APPENDIX C**

### **LEGAL DESCRIPTIONS DESCRIBED IN SECTION III (G) OF THIS PLAN**

**LOTS 5 & 6 N 7.48 FT LOT 7 ALL LOTS 14 15 16 & N 7.48 FT LOT 17 ALSO E 1/2 VACATED ALLEY ADJ LOT 14  
ON W & ALL OF VACATED ALLEY BET LOTS 5,6,15,16, & N 7.84 FT OF LOTS 7 & 17 BLK 3 HAMILTON ROSE &  
SHEEHAN ADDN**

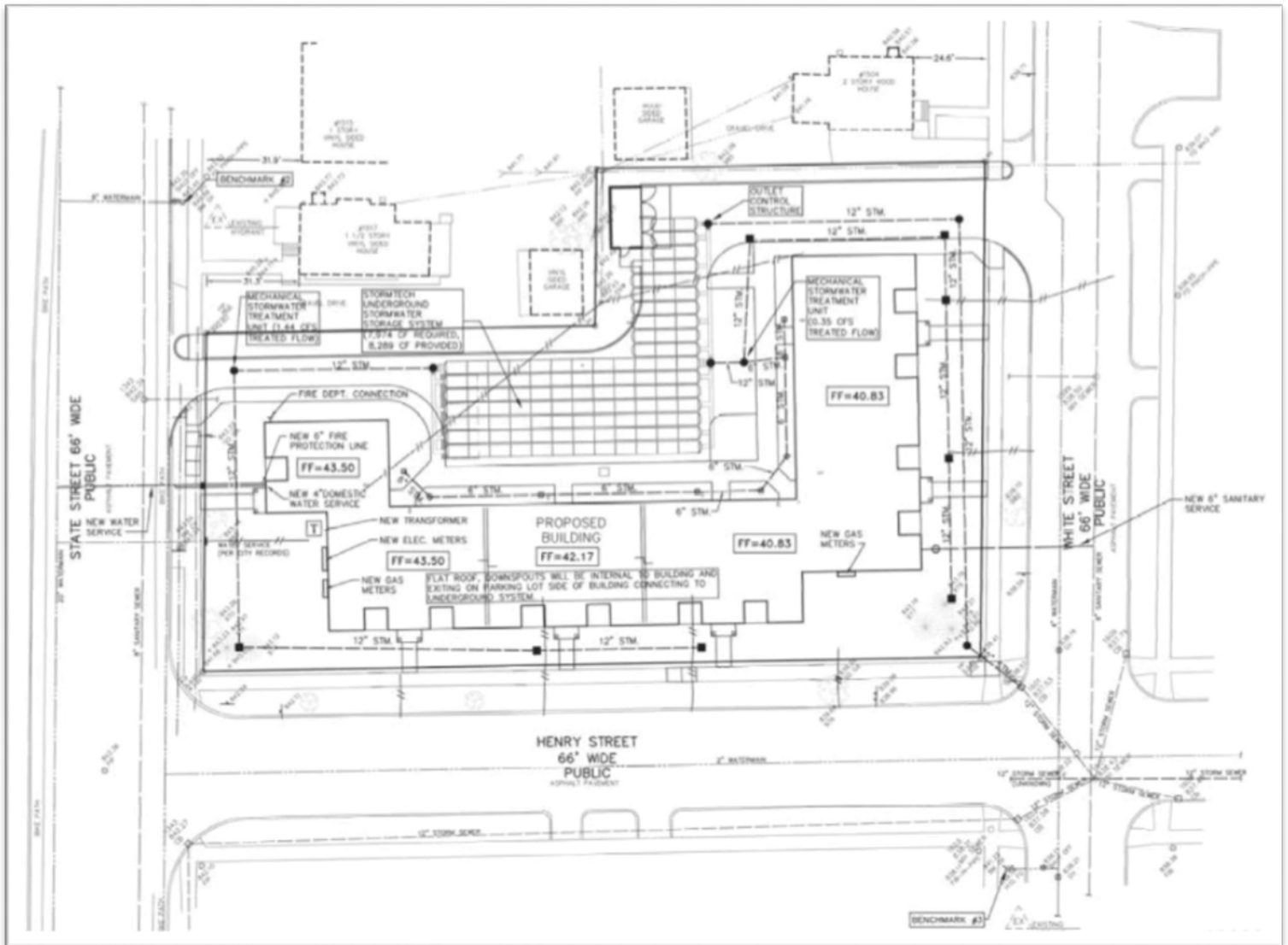
## APPENDIX D

### PROJECT CONCEPTUAL DRAWINGS

#### ARCHITECTURAL ELEVATIONS

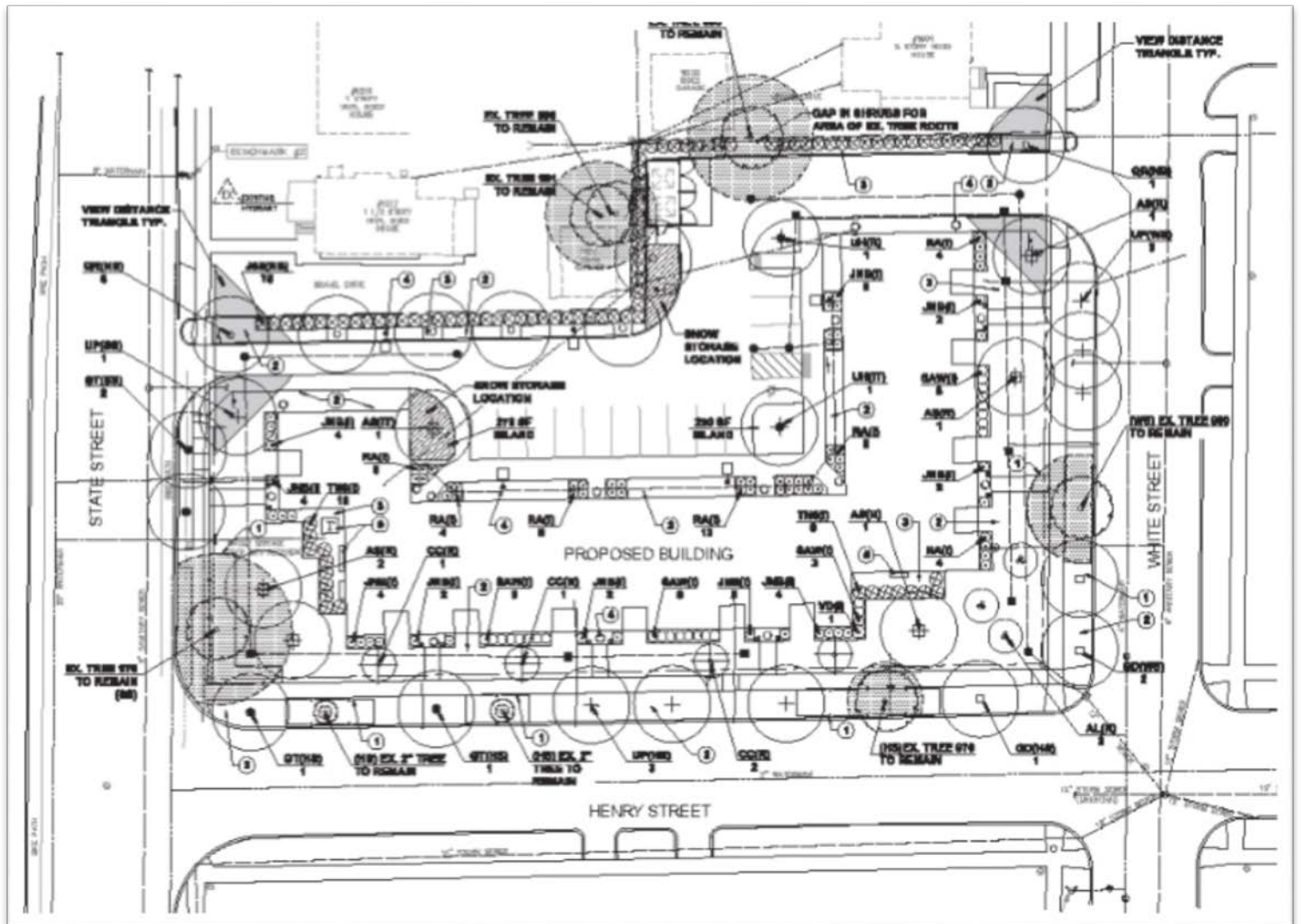


## UTILITY PLAN





## LANDSCAPE PLAN



## APPENDIX E

### ELIBLE PROPERTY BOUNDARY MAP

