

Draft Resolution

Memorandum

The City of Ann Arbor has consistently prioritized addition of committed Affordable Housing as a goal. In 2012, City Council and multiple City Boards and Commissions adopted the *City of Ann Arbor Sustainability Framework*. This framework provides an organizing structure for city plans and goals, fitting into three key aspects of sustainability including environment, economy, and equity. *Diverse housing* was identified as a goal within this framework, with the specific charge to “provide high quality, safe, efficient, and affordable housing choices to meet the current and future needs of our community, particularly for homeless and low-income households.” One action item identified to meet this diverse housing goal was to conduct an analysis to better understand the current status of affordable housing in the community. With this charge, the Office of Community & Economic Development undertook a comprehensive analysis of housing and related equity indicators in Ann Arbor and across the urban core of Washtenaw County.

On February 17, 2015, the City of Ann Arbor Adopted the Housing Affordability and Economic Equity Analysis, resolving to commit to advancing the goals of this analysis to promote balancing in the County’s housing market through policy and resource allocations, partnerships and collaborations throughout the County, including participation in the regional workgroup.

The affordable housing unit goals for the City of Ann Arbor as detailed in the 2015 Analysis included the development of 2,792 rental units affordable to households up to 60% of the AMI by 2035. Broken into an annual goal, the City should add 140 affordable units each year for 20 years. Since adoption of the plan, here is the progress:

- 2015 – 2 committed affordable units
- 2016 – 16 committed affordable units
- 2017 – 26 committed affordable units
- 2018 – 6 committed affordable units to date

The Regional Working Group, staff and others have noted that there are significant barriers to reaching the goal, and with the resurgent of the housing market, even greater need. One frequently identified is funding for affordable housing.

In mid-2018, there were two funding sources committed to the Affordable Housing Fund, with the potential for funds to be available in 2019:

1. Half of the sale price from the Library Lot purchase (estimated at \$5 million) and
2. Forty percent of the rebate from the Community Mental Health and Public Safety Preservation Millage, as defined by City Council resolution R-17-261 (estimated at \$800,000-900,000 annually for 4 years, or \$6.4 to \$7.2 million).

With the November vote approving a park at the Library Lot, and recent council action to survey residents about uses for the Community Mental Health and Public Safety Preservation Millage rebate, HHSAB would like to respectfully request that Council ensure annual funding for the Affordable Housing Fund, as they have similarly, for Climate Action Work funded through [R 18-464](#). HHSAB is requesting that City Council allocate a minimum of \$880,000 in general fund to the Affordable Housing Fund

annually, with the ability to repay the General Fund if it is determined to direct the rebate of the Community Mental Health and Public Safety Preservation Millage to the affordable housing fund and supportive services, as previously recommended by the HHSAB. Any project seeking funding would have to make a request to the Affordable Housing Fund, which the HHSAB will review, consider and make a recommendation for further action by City Council. Projects that could seek funding in the next 2-12 months include (not an exhaustive list)

Owner	Address/Request	Request
Ann Arbor Housing Commission	Emergency Repairs to Broadway Terrace (200,000 already committed)	\$200,000 committed through
Ann Arbor Housing Commission	1504 & 1506 Broadway renovations	TBD
Avalon Housing	SRO units at various location requiring sprinkler systems	\$100,000
Avalon Housing	Broadway – lead and structural issues	\$150,000-200,000
Avalon Housing	Hickory Way Apartments Phase II	\$250,000
Avalon Housing	Platt Road	\$400,000
Michigan Ability Partners	Group homes at various locations requiring sprinkler systems	\$240,000-300,000
Habitat for Humanity	Potential new home construction	\$130,000
	Running Total	\$1,340,000 - \$1,580,000

Whereas, the City of Ann Arbor adopted the Housing Affordability and Economic Equity Analysis in 2015 that establishes a goal of supporting 140 new affordable units each year; and

Whereas, affordable housing is a priority for the City of Ann Arbor as identified in planning documents, including the Sustainability Framework; and

Whereas, previous council actions intended to provide substantial funding to the Affordable Housing Fund, available in 2019, but recent actions have either rescinded or put those funds at risk; and

Whereas, City Council has provided project funding to the Sustainability Office from the General Fund, in lieu of using the Community Mental Health and Public Safety Preservation Millage rebate through recent resolution (R-18-464);

Now Therefore Be It Resolved, that in order to support affordable housing creation and preservation, that the HHSAB recommend that City Council provide a minimum of \$880,000 annually, with 75% to the Affordable Housing Fund and 25% to supportive services through the Ann Arbor Housing Commission (as previously recommended by HHSAB) starting with the 2018-2019 fiscal year and funded annually through General Fund, and

May it Be Resolved that the General Fund contribution to the Affordable housing Fund be repaid if Council directs the rebate of the Community Mental Health and Public Safety Preservation Millage to the affordable housing fund and supportive services.