

PROPOSED AMENDED RESOLUTION

Resolution to Order Election and to Determine Ballot Question for Charter Amendment for the 2021 Affordable Housing Millage **(7 Votes Required)**

Whereas, City Council has adopted the strategic goal of being a warm, welcoming, and safe community and providing affordable housing options is essential to that goal;

Whereas, Ann Arbor's efforts to develop, maintain, support, or acquire sufficient affordable housing have not created an adequate supply of affordable housing;
Whereas, The market's efforts to develop, maintain, support, or acquire sufficient affordable housing have failed to create an adequate supply of affordable housing;

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, The City's current annual investment of \$880,000+ in the Affordable Housing Fund does not meet the financial need to develop and/or acquire a meaningful number of affordable units or to provide necessary supportive services; and

Whereas, The City Council wants to adopt policy guidelines for the use of the funds if the Affordable Housing Millage is approved by the voters at the November 3, 2020 election and wants to inform the voters of those policy guidelines;

RESOLVED, It is the City's intention that it will continue to contribute General Fund money to the affordable housing fund regardless of any additional millage money;

RESOLVED, That the following amendment to the City Charter be placed on the ballot and submitted to the voters at the next general city election:

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~~ ~~tefor~~ 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, for the residents of such housing.

RESOLVED, That November 3, 2020 is designated as the day for holding an election on the proposed Charter amendment;

RESOLVED, That the City Clerk shall transmit a copy of the proposed amendment to the Attorney General and the Governor of Michigan and shall perform all other acts required by law for holding the election;

RESOLVED, That the following amended charter provision shall appear on the ballot in the following form:

PROPOSAL 3

ANN ARBOR CITY CHARTER AMENDMENT

TAX FOR THE CONTRUCTION, ACQUISITION, AND MAINTENANCE OF AFFORDABLE HOUSING

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. In accordance with State law, a portion of the millage may be subject to capture by the Ann Arbor Downtown Development Authority and the Washtenaw County Brownfield Redevelopment Authority.

Yes

No

RESOLVED, That the proposed Charter amendment and proposed ballot question shall be published in full not fewer than two times in the Washtenaw County Legal News;

RESOLVED, That the City Clerk is directed to publish the proposed Charter amendment in full, together with the existing Charter provisions amended as required by law and in accordance with resolution of Council, post the proposed Charter amendment in full together with the existing Charter provisions to the City's website; ~~and~~

RESOLVED, That if the amendment is adopted, it shall take effect on January 1, 2021; ~~and-~~

RESOLVED, That City Council adopt the Affordable Housing Millage Guidelines as specified in Attachment A.

[NEW]

Attachment A

Affordable Housing Millage Guidelines

The intent of the affordable housing millage is to increase the number of apartments that are affordable and sustainable to provide long-term housing security for households earning zero income to 60% of Area Median Income (“AMI”).

If the millage is approved, the City’s annual budget process will include a millage budget for City Council approval for 1 mil for affordable housing development and related supportive services for residents of millage-developed housing, including the following uses and priorities:

1. Development of affordable housing that includes housing units that are restricted to households from zero income to 60% of Area Median Income
 - a. The City will utilize HUD’s annually published family income limits to determine the Area Median Income of households.
2. Housing unordered priorities include:
 - a. Housing for people experiencing homelessness
 - b. Housing for people with special needs, including but not limited to:
 - i. Seniors
 - ii. People with disabilities
 - iii. Youth aging out of foster care
 - c. Housing for persons in households earning less than 60% AMI
3. “Development” as used in these Guidelines includes both hard and soft costs related to:
 - a. New construction
 - b. Acquisition of land
 - c. Acquisition of existing buildings
 - d. Capital improvements, including but not limited to:
 - i. Infrastructure
 - ii. Utilities
 - iii. Building renovations
 - e. Demolition
4. Sustainability priorities include, but are not limited to:
 - a. Energy efficiency
 - b. Green construction materials, products and techniques
 - c. Net Zero energy consumption
5. Up to 20% of the millage revenue may be used for supportive services to increase housing stability of residents of millage-developed housing, including but not limited to:
 - a. Mental health services
 - b. Physical health services

- c. Financial services, job skills, and employment
 - d. Daily living skills
 - e. Crisis management and conflict resolution
 - f. Youth programming
6. The City prioritizes projects that will have long-term affordability commitments, which is achievable through:
 - a. Development of publicly owned properties
 - b. Public ownership through the Ann Arbor Housing Commission and its affiliated non-profit development entities
 - c. Mission-driven non-profits committed to long-term affordability restrictions
 7. To achieve socio-economic diversity throughout the City
 - a. Development can be 100% affordable units or mixed-income with a portion of the units as market-rate that are not subsidized by the millage, for the purpose of maximizing aggregate number of millage-developed units of affordable housing.
 - b. Development can range from small group homes to apartment complexes
 - c. The City supports the inclusion of affordable housing in all neighborhoods and City Council Wards
 8. To maximize the leverage of other public and private funding sources for affordable housing, the City's rent restrictions will align with the rent restrictions of other leveraged funds, such as HUD funding and Low-Income Housing Tax Credits

Sponsored by: Mayor Taylor and Councilmembers Nelson and Smith