



# **City of Ann Arbor**

## **Meeting Minutes**

### **Housing and Human Services Advisory Board**

301 E. Huron St.  
Ann Arbor, MI 48104  
[http://a2gov.legistar.com/  
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

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Thursday, April 4, 2019

6:30 PM

Washtenaw County Building, 200 N. Main  
St., Lower level conference room

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#### **CONVENE MEETING**

#### **INTRODUCTIONS/WELCOME**

Board introduces themselves to guest speakers.

#### **PUBLIC COMMENT**

N/A

#### **APPROVAL OF AGENDA**

Approved

#### **APPROVAL OF MINUTES**

Approved

#### **BUSINESS**

#### **A PRESENTATION U OF M STUDENT PROJECT ON AFFORDABLE HOUSING**

Kyle Slugg: We're here to talk and give a presentation about challenges in Ann Arbor about affordable housing and some potential solutions. We're students from Ford School of Policy at UM. In our presentation, we have 3 points of emphasis:

- Analysis of housing pressure (2015 Affordability and Equity Analysis)
- Short/Mid-term actions
- Long-term actions

**Analysis of Housing Pressure: Kyle Slugg**

The data indicates high rental rates in downtown Ann Arbor. We reviewed at the Ann Arbor market and also the number of beds. We did not focus on units as beds show groundwork for alternative housing sources. Enrollment and student housing demand have similar progress. We are drawing our data from one year of micro data from the Census American Community Survey.

**Measuring need:** The cells represent the gap between supply of beds and demands for beds by rent bracket. The demand is derived at household income. 30% of income for rent is good, but you can see the severe deficit for the bottom row of the bracket. People at the lowest levels are being priced out.

**Student and non-student renters:**

**Short/Midterm Actions: Eric Hanss**

One potential action is to leverage anchor institutions, such as the University of Michigan, to expand institutional roles. The two main factors that make U of M an anchoring institution is

- Higher education
- Health system

Also, as the largest employer in Washtenaw County, expanding housing opportunities may help with workforce demands: talent attraction and retention.

**University Partnerships:**

We looked at 3 predominant trends and will be focusing on the first:

- Directly or indirectly focusing on investment: construction, gap funding, and ground leases
- Loan and down payment for faculty and staff
- Ongoing local housing research and engaged learning opportunities

There are 2 case studies of university investment:

- San Jose: Santa Clara University: downtown San Jose, CA
  - o Motivation: University-initiated response to local housing crisis and student/workforce attraction
  - o Mechanism: Mixed use University-led development
  - o Project: Tech Innovation & Educator Faculty Housing (announced late 2018)

- ☐ 295 apartments to house staff and faculty, 20K ft incubator for new businesses and ideas
  - Howard University: Washington, DC
  - o Motivation: Underutilized assets, district mandate to build 50-100 affordable units as condition of approval of update to Campus Master Plan
  - o Mechanism: Ground leases on University-owned properties to developers
  - o Project: Trellis House (constructed 2018)
- ☐ 319 apt (36 affordable units), retail space as well

**For Health System Partnerships:**

3 ways they address housing affordability and we will focus on the second point.

- Identifying community priorities: planning and engagement
- Enlarging the investment pipeline: development and gap financing
- Improving the enabling environment: analysis and government relations

**Case study**

- University of Vermont Medical Center
  - o Motivation: Social determinants of health; ER cost savings
  - o Mechanism: Funding, development & services
  - o Project: Bel-Aire Apartments
- ☐ First rented out motel and hotel spaces for patients, then bought those places for permanent housing
- ☐ 8 supportive housing units were developed
- ☐ \$1.6m development cost and funding for case management
- ☐ Savings per person per year is \$6k/year per person

**Takeaways:**

Partnerships (public-private) between anchor institutions and local government can result in short and mid-term targeted affordability alleviation.

**Long term Actions: Kevin Sweitzer**

**Accommodations tax:**

- Our current state occupancy tax: 6% on stays under 30 days in hotels and motels
  - o Provided to convention and visitor bureau (CVBs) for the promotion of tourism and convention (ex. Hotels in Columbus, OH)

- Columbus, OH accommodations tax:
  - o .43% tax on accommodations to be dedicated to affordable housing trust fund
- Portland, OR affordable housing on hotel
  - o Requires hotel developers to build affordable housing

**Barriers:**

- Headlee Amendment
  - o State constitutional amendment limits new taxes that local government can impose
- Bolt vs Lansing
  - o Michigan Supreme Court Case strictly defining fees very closely, making fee increases very difficult
- Political difficulties
  - o Much more feasible to propose new millage, which would require public vote, but raised taxes are unpopular amongst public.

**A. Foster:** What is prohibiting utilizing the existing 6% and possibly chunking off a portion of it?

**Kevin Slugg:** There's a certain Michigan state law that prevents that.

**A. Carlisle:** How did you figure out the per bed amounts?

**Kyle Slugg:** I was working with the data from American Community Services (ACS) data and used that. They give a rough idea of what's going on. ACS employs # of beds in unit and people living in house.

**R. Sarri:** Your plan doesn't take into consideration the community as an entity. The problem with young families is that the housing pressure is worse. Increasingly with single parent families, the pressure is even greater.

**T. Gillotti:** Can you talk us through the 1457 undergrad beds?

**Kyle:** We took data from all the Big 10 schools, and they housed 36% so we chose that as a feasible means for the university to add beds.

**T. Gillotti:** Can you talk me through columns on blue chart (new on campus housing)?

Kyle: The university housing rates aren't given in rent per month, but more per term or year. So, we decided them out by 12 to come out to monthly rent estimate. The columns show distribution of that.

A. Foster: Do any of the universities you looked at encourage housing on campus?

Eric: There are many universities that have requirements for needing to be in dorms for x year. There are very few campuses that require all 4 years. The 36% is median, but range is broad. The max is 50% by University of Illinois Urbana-Champaign. The minimum is 22% from University of Minnesota.

T. Gillotti: How does the Columbus law differ from Michigan law?

Kevin: OH doesn't have specific laws to disclose usage for taxes. Using Detroit as an example, there are ways to get around direct revenue generation. Community benefits can be negotiated.

Board discusses

## **B UPCOMING POINT-IN-TIME COUNT DEBRIEF**

Carlisle: The debrief is happening Monday, April 15 to share PIT results. If you're able to attend, I'd encourage you to come out!

Wright: When was the count done?

Carlisle: The polar vortex days in January from 10pm – 2am. The count is done every year.

Foster: How do you count someone who found inside, but got shelter?

Carlisle: We counted those in shelter and some in hotel count.

Board discusses

## **C FEE-IN-LIEU**

T. Gillotti: I receive the data and updated the fee in lieu calculation. We determining a consistent method to calculate fee-in-lieu as we

should be update the formula yearly, and our last update was 2007. When we ran numbers from 2007 to 2018, it does show an increase in the fee in lieu payment structure. The median market rate price for single family units from 2,000 sq. ft or less and amount affordable to 3 person household at 50% AMI.

The new equation is:

A – B = Affordability gap – 2016 – 119,500. In 2018 - \$186,571

A. Foster moves to amend resolution to revise edit to “HHSAB recommends that the City Council adopt the 2019 Fee in Lieu of Affordable Housing to be cost determined by staff formula.” And to proceed with the proposed resolution. E. Pollack seconds. Motion passed unanimously

#### **D AFFORDABLE HOUSING "VALUE OR POLICY STATEMENT"**

A. Carlisle: So we brought the statement to the HHSAB, Washtenaw Housing Alliance, The Advocacy Committee and Religious Action for Affordable Housing. We will continue to show and gather feedback. It has been slightly revised, but overall similar. The targeting of resources to certain income levels (#3) was one of the edits. We are hoping to take this to various places to support and unite on this.

I think the goals and chart section piece is updated based on some of feedback. For the most part though, it's pretty self-explanatory. We received feedback from Councilmember Ackerman when sending it to city council.

R. Sarri: Should we take action on this?

A. Foster moves to recommend City Council to whole heartedly adopt the belief statement. R. Sarri seconds. Motion passed unanimously

N. Wright: Is the motivation on this to get people on board for future policies/decision making?

A. Carlisle: Yes

**E AFFORDABLE HOUSING PROJECTS GOING THROUGH THE CITY'S  
DEVELOPMENT PROCESS**

**Greg:** This past council meeting, there was resolution passed to identify 10 properties.

Burton road was voted down by planning commission, and will be going to council on May 6th.

**Teresa:** Washington St had its meeting, but nothing to council yet.

**Greg:** YLot is not part of 10 properties identified for potential affordable housing projects.

**T. Gillotti:**

- Four proposals were received from the public Request for Proposal (RFP) process. We have a committee selected to interview the developers from each proposal.
- Affordable Housing Fund: Monday night, they followed the HHSAB recommendation and are allocating \$880,000 towards the Affordable Housing Fund.

**G. Pratt:** The Approved resolution and final vote will happen in May 2019.

**Foster:** There's a councilmember that said that most of Ann Arbor is affordable and her home is affordable. Next month, it might be time for refresher pop-quiz for what constitutes affordable housing.

**T. Gillotti:** This would be a relevant topic for the Affordable Housing Education Series, we are still trying to work on education series with our many partners

**G. Pratt:** I have a friend Matt Weber, who works on the Community Land Trust Development, who may be good resource for the educational series.

**A. Foster:** Is there any update from the building across the YMCA (Washington St Art Collaboration)?

**Board discusses**

**CITY COUNCIL (COUNCIL MEMBER UPDATE)**

N/A

**PUBLIC COMMENT**

N/A

**CLOSED SESSION**

**ADJOURNMENT**

G. Pratt, chair, adjourned meeting at 8:00 pm.

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