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**DDA Grant to Avalon Housing**

The Ann Arbor Downtown Development Authority 2003 Renewal Plan directs the DDA to participate in projects which stimulate new, converted, or renovated downtown housing. In particular the DDA has committed itself to supporting affordable housing initiatives in an effort to maintain downtown diversity. In support of this goal over the past six years the DDA has provided approximately \$1 million in affordable housing grants for downtown projects, including funds to support the Court House Square Apartment building, Dawn Farm’s Chapin Street project and a county-wide housing needs assessment.

At its September 2007 meeting the DDA voted unanimously to approve a grant to Avalon Housing, Inc. to assist with the acquisition and rehabilitation of a six-unit apartment building located at 819 Third Street, Ann Arbor. This project will target chronically homeless individuals referred by the Shelter Association of Washtenaw County or the PORT team. This will benefit the entire downtown as many if not all of the chronically homeless individuals to be housed by this project are individuals who are in the downtown on a regular basis and in need of services.

The total cost of the project is anticipated to be \$971,325, which will include \$482,500 for purchase and \$110,000 for rehabilitation. Avalon Housing anticipates support from multiple funding sources, including City of Ann Arbor HOME Funds in the amount of \$386,325, MSHDA funds in the amount of \$500,000, as well as funds from Washtenaw County in the amount of \$25,000.

The DDA was asked to provide a \$60,000 grant from its Housing Fund, and after much discussion, the DDA/City Partnerships Committee recommended approval. A week later, at its September meeting, the DDA Board voted to support this recommendation by providing the grant as requested. As with several other downtown housing projects, the City’s Community Development Department will oversee an affordability agreement with Avalon Housing for this project on behalf of the City and DDA.

Submitted by: Susan Pollay, DDA Executive Director