



## Legislation Text

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Resolution to Direct the Ann Arbor Housing Commission, and its Affiliated Legal Entities, to Develop 1510 E Stadium as Affordable Housing

On April 1, 2019, Ann Arbor City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the Ann Arbor Housing Commission (AAHC) to provide coordinated analysis on the feasibility of city-owned properties as potential locations for affordable housing. This resolution incorporated previous resolutions R-19-110, R-19-111 and R-19-116.

The Ann Arbor Housing Commission led the analysis along with support from a City staff team and several contractors to determine the feasibility for 11 sites including review of land use and zoning, environmental conditions, financial resources, site -specific costs, and overall risk among other factors. The analysis, three potential portfolio scenarios, and next step recommendations were presented to City Council at the Nov.18, 2019 City Council meeting.

1510 E. Stadium is a suitable site for an affordable housing project but is a lower priority than many of the other properties. The positives are that the site is in a higher income residential neighborhood, on a bus line and near amenities. However, the property is currently Fire Station #2, and houses fire code inspection staff. The AAHC can continue to make progress on due diligence and design but cannot start demolition until the fire department has abandoned the building. The location also does not score competitively for Low-Income Housing Tax Credits, however, the property is eligible for other federal funds as well as City millage funds for affordable housing.

Staff worked with the Damian Farrell Design Group to design options that included re-use of the building and demolition of the building and replacing it with duplexes or a 3-4 story apartment building. The size of the property and lack of on-street parking limits the number of units that can be developed on the site. The ultimate design will be dependent on the market conditions and financial sources and restrictions at the time of site-plan approval.

The staff team is requesting that City Council direct the Ann Arbor Housing Commission, and its affiliated legal entities, to proceed with discussions with the City Administrator and Fire Chief about the fire department plans and fair compensation for the property so that it can be developed as affordable housing for households up to an average of 60% of the Area Median Income (AMI). The AAHC must create a new non-profit legal entity to develop the property to limit the financial liability of the AAHC, to act as the general partner in any LIHTC partnerships, and to enable the property to accept voucher payments.

Prepared by: Jennifer Hall, Executive Director Ann Arbor Housing Commission

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Tom Crawford, City Administrator

Whereas, City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the Ann Arbor Housing Commission (AAHC) to provide coordinated analysis on the feasibility of city-owned properties as potential locations for affordable housing; and

Whereas, The analysis found that 1510 E Stadium is suitable for affordable housing but is a lower priority than other city-owned properties due to the current active use by the fire department and lower competitiveness for Low Income Housing Tax Credits than other City-owned properties;

RESOLVED, That City Council direct the Ann Arbor Housing Commission, and its affiliated legal entities, to develop affordable housing at 1510 E Stadium for approximately 8 - 23 units for households up to an average of 60% of the Area Median Income (AMI);

RESOLVED, That the direction includes coordinating with the City Administrator and Fire Chief on the timing of development and fair compensation for the property;

RESOLVED, That the direction includes conducting applicable due diligence such as environmental reviews, surveys, and other site investigation items; hire a development team to design a project for site plan approval, submit applications for affordable housing financing;

RESOLVED, That the direction includes coordinating with City Sustainability and Innovations staff to explore construction designs that minimize climate impact;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign necessary letters, applications and agreements related to granting the Ann Arbor Housing Commission, its affiliated legal entities and contractors access to the property, authority to apply to the City for development-related approvals, support of affordable housing funding applications, or other design-phase documents, subject to approval as to substance by the City Administrator, and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.