



Legislation Text

File #: 21-0575, Version: 1

Report on Community Engagement for Four Downtown City-Owned Properties as Affordable Housing and Update on Ten City-Owned Properties

On April 1, 2019, 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. That resolution incorporated previous resolutions R-19-100, R-19-111, and R-19-116. The resolution also directed the City Administrator to provide a report to City Council that provides recommendations on how the properties should be prioritized for consideration for of the development as affordable housing, address which properties would be best used and face the least obstacles to redevelopment, and provide a holistic approach to all identified properties. The AAHC provided that report at the City Council meeting on November 18, 2019 as an “introduction” item (file number 20-2023).

The properties included in the analysis and their current status are:

- 1) 721 N Main (vacant public services buildings)
 - a. November 18, 2019, R-19-518 Directed the City Administrator to work with the DDA, Treeline Conservancy and other community partners to conduct a community engagement process around the optimal development options in support of affordable housing
 - b. April 19, 2021 AAHC shares results of community engagement process with City Council
 - c. April 19, 2021 City Council agenda item 21-0610 requesting approval to divide the property between the floodway/floodplain and a 14,520 SF Summit Street facing the portion that is not in the floodway/floodplain and designate the AAHC as the developer of the property that is not in the floodway/floodplain
 - d. **Next Steps:** AAHC hires development team, starts site plan approval process and secures development financing
- 2) 309 - 337 S Ashley & 104 -120 W. William (surface parking lot also known as the Kline’s lot) paired with 216 W. William (surface parking lot at northeast corner of 1st & William)
 - a. November 18, 2019, R-19-517 Directed the City Administrator to work with the DDA to conduct a community engagement process around the optimal development options in support of affordable housing
 - b. April 19, 2021 AAHC shares results of community engagement process with City Council
 - c. **Next Steps:** The consultant team, in coordination with the DDA will finalize the downtown parking assessment that is currently underway but is difficult to complete until post-COVID normalization. Continue discussions with the DDA and downtown businesses about long-term downtown parking solutions related to development of this site.
- 3) 121 Catherine (surface parking lot at northwest corner of 4th & Catherine)
 - a. November 18, 2019, R-19-514 City Council directed the AAHC to develop as 60-85

- units of affordable housing for households up to 60% AMI, including due diligence, hiring of development team, securing site plan approval and applying for financing
 - b. AAHC added site to the Community Engagement process being reported on April 19, 2021
 - c. April 19, 2021 AAHC shares results of community engagement process with City Council
 - d. **Next Steps:** AAHC hires development team, starts site plan approval process and secures financing
- 4) 353 S Main (corner of Main/William)
- a. November 18, 2019, R-19-521 City Council added 353 S. Main to the financial feasibility analysis
 - b. April 20, 2020, R-20-131 AAHC directed to conduct community engagement around potential development options to determine optimal development plan in support of affordable housing
 - c. April 19, 2021 AAHC shares results of community engagement process with City Council
 - d. April 19, 2021, City Council agenda item 21-0647 to designate the AAHC to develop the property as affordable housing
 - e. **Next Steps:** AAHC hires development team, starts site plan approval process and secures financing
- 5) 415 W. Washington (vacant public services building)
- a. August 19, 2019, R-19-376 to contract with the SmithGroup to conduct community engagement process, develop potential building concepts and evaluate the feasibility of developing the property
 - b. July 6, 2020, R-20-0272 directs the City Administrator to authorize the AAHC to petition for pre-entitlement and work with staff and planning commission; to set-aside a portion for the tree-line trail, redevelop primarily as residential, with development standards that reflect the D2 Downtown Interface Zoning District
 - c. **Next Steps:** *Staff to petition for pre-entitlement and work with staff and planning commission; to set-aside a portion for the tree-line trail, redevelop primarily as residential, with development standards that reflect the D2 Downtown Interface Zoning District*
- 6) Surface parking lot at 350 S Fifth Ave (also known as the former Y lot)
- a. May 1, 2018, R-18-173 resolution of intent to utilize the property to develop the greatest quantity and quality of affordable and workforce housing. The city will 1) maintain ownership 2) recapture costs of acquiring within a financially feasible model 3) mix of unit types and rents 4) the affordable and workforce rents will not exceed 110% of Fair Market Rents 5) developer will accept vouchers and 6) 50% of the ground floor will be active and/or public uses. If the City fails to reach an agreement with a developer within 48 months, the prior resolved clauses will expire and if the property is developed without restrictions, 50% of the sales or lease proceeds will go to the affordable housing fund
 - b. July 1, 2019, R-19-320 to contract with SmithGroup to conduct public engagement, develop potential building concepts, and evaluate feasibility of developing the site
 - c. April 20, 2020, R-20-139 directs the AAHC to develop the property that reflects D1 downtown core zoning district, incorporating concepts generated through the community engagement process, work with staff and planning commission to realize development of the property

- d. Next Steps:** The AAHC, DDA, AAATA, and planning staff continue to work through a PUD rezoning process to develop the necessary flexibility and supplemental controls needed to achieve multiple site goals while providing for resident and council input prior to issuing a developer RFP with clear community-supported goals and expectations. We anticipate community engagement in April 2021 and Council engagement in August 2021 prior to issuing a potential developer RFP in October 2022. The expectation will be a housing project that adds more than 100 affordable units in downtown, supports public transit operations at Blake Transit Center and reinforces the DDA's complete streets plan.
- 7) 404 - 406 N Ashley (UM Dental Clinic rents this building from the City)
- a. November 18, 2019, R-19-515 directed the AAHC to develop 404 N Ashley as 60-85 units of housing affordable up to an average of 60% AMI households
 - b. Next Steps:** After U-M Dental Clinic lease ends in 2024, AAHC hires development team, starts site plan approval process and secures financing
- 8) 2000 S. Industrial (public services buildings, AAHC office & maintenance, and additional City, County and AAATA storage facilities)
- a. November 18, 2019, R-19-516 directed the AAHC to pursue affordable housing development of 50-165 affordable units as well as office and maintenance facilities for the AAHC subject to financing. Directed to conduct due diligence, hire development team, secure site plan approval.
 - b. The AAHC secured an architect to develop modular design options including AAHC office and maintenance facilities.
 - c. Next Steps:** The AAHC starts site plan approval process and secures financing
- 9) 1510 E. Stadium (fire station #2 currently used for fire inspection services)
- a. November 18, 2019, R-19-520 directed AAHC to determine if suitable for permanent or temporary AAHC office and maintenance space and affordable housing suitability
 - b. AAHC hire an architect to develop various designs as office/maintenance facilities and affordable housing
 - c. April 19, 2021 City Council agenda item 21-0648 directing AAHC to develop property as affordable housing
 - d. Next Steps:** After the Fire Department vacates the building, the AAHC to develop the property
- 10) 3432 - 3440 Platt & 3435 - 3443 Springbrook (vacant land purchased by AAHC)
- a. November 18, 2019, R-19-519 Directed the AAHC to continue community engagement process around develop options that support affordable housing
 - b. Next Steps:** The AAHC to issue RFP to hire community engagement and development team

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