



Legislation Text

File #: 17-1803, **Version:** 2

Resolution to Determine 1514 - 1520 White, 701 - 709 Henry and 1521 State Streets as Blighted under the Criteria of Act 381 of 1996

Attached is a resolution requesting Council make a determination that the property at 1514 White Street is blighted under the criteria specified in Act 381 of 1996. This determination will support the Ann Arbor Housing Commission submission of a Brownfield Plan, after obtaining City Council's recommendation of the Plan, to the Washtenaw County Brownfield Redevelopment Authority (WCBRA), which would allow the expenditure of Local Brownfield Revolving Fund (LBRF) monies already awarded by the WCBRA to support the successful redevelopment of the public housing site.

White/State/Henry Apartments, located at 1514 - 1520 White Street, 701 - 709 Henry and 1521 State, was built in 1948 and was acquired by the Ann Arbor Housing Commission (AAHC) in the early 1970's with HUD public housing funding. The property consists of one tax parcel occupying approximately 38,000 sf. (0.9 acres), housing a U-shaped building bounded by White Street, Henry Street, and State Street.

The City of Ann Arbor is currently the deed holder and City Council has agreed to transfer ownership of the property to the AAHC when it is redeveloped (R-13-173). The AAHC is redeveloping the property from public housing to project-based vouchers under the HUD Rental Assistance Demonstration (RAD) program. The AAHC is applying for funding to demolish the existing 28-unit property and replace it with a 32-unit property including a community center. The apartments are currently restricted to low-income households and will continue to be low-income after redevelopment.

The AAHC has requested that the Ann Arbor City Council make a determination that the property is blighted under criteria specified in the Brownfield Redevelopment Financing Act (Act 381 of 1996) to make it eligible for brownfield assistance (LBRF Grant Funding) under Act 381. The property meets the definition of a blighted property under the criteria of Act 381 as an attractive nuisance because of its physical condition.

Background

Due to serious reductions in federal funding for public housing over the years, public housing authorities across the U.S. have been severely hindered in their ability to keep up with required repair and maintenance of these affordable housing units. One of the main objectives of RAD is to address the large back-log of capital needs that has accumulated over the years for the 1.2 million units of public housing in the U.S.

Under RAD, the AAHC is able to exchange operating and capital subsidies under the Public Housing program for long-term Section 8 project-based voucher (PBV) contracts. Participating in the RAD program enables the AAHC to access private financing to redevelop public housing properties and

retain this housing in the community. Over the last 3 years, AAHC has converted the subsidy to RAD PBV and redeveloped 15 of its properties in its portfolio, with just White State Henry, Platt Road and Broadway Terrace left to redevelop. The redevelopment of the White State Henry and Platt sites (known as the Swift Lane project) have been delayed while the AAHC and its development partner applies for funding.

Since AAHC submitted the RAD application to HUD in 2012, the conditions at White/ State/Henry Apartments have deteriorated to a point that AAHC is relocating all of the tenants at the property to other locations. The AAHC has been maintaining occupied units, but most of the units are vacant. It is anticipated that the last two occupied units will be moved to other locations in January 2018.

Physical Conditions

Under Act 381 property may be designated as blighted if its physical condition is an attractive nuisance to children (MCLA 125.2652(c)(ii)). As noted above, the majority of the units are currently or will shortly be vacant. Although properly secured, the units continue to deteriorate in a manner that create a potential safety concern:

- Windows are deteriorating due to building settings and many cannot be opened or closed
- Limited fire suppression in the building
- Outdated electrical and plumbing systems
- Roof and roofing components that are damaged

For all of these reasons, the AAHC is requesting that City Council determine that the property satisfies the blighted criteria of Act 381.

Upon a favorable determination by City Council, the AAHC will continue to work with the Washtenaw County Brownfield Redevelopment Authority on its Brownfield Plan, which supports demolition of the site to prepare it for affordable housing redevelopment. This Brownfield Plan is also on the January 16th Council agenda for consideration. The AAHC is requesting up to \$800,000 in grants and loans from the WCBRA and is not requesting TIF financing because the property is eligible for a PILOT and will not generate capturable taxes.

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

Reviewed by: Derek Delacourt, Community Services Area Administrator

Sponsored by: Council Brownfield Review Committee

Whereas, The Ann Arbor Housing Commission has requested, based on existing physical condition of the buildings at 1514 - 1520 White, 701 - 709 Henry and 1521 State Streets, that the property be determined by Ann Arbor City Council as blighted under the criteria specified in the Brownfield Redevelopment Financing Act, Act 381 of 1996 (the Act);

Whereas, Such a designation would allow the property to be eligible to utilize a Local Brownfield Revolving Fund grant through the Washtenaw County Brownfield Redevelopment Authority;

Whereas, AAHC has presented City Council with sufficient support for its request to allow City Council to determine the property as blighted based on the criteria under the Act that its vacant and deteriorating condition presents an attractive nuisance to children;

Whereas, The Washtenaw County Board of Commissioners established the Washtenaw County

Brownfield Redevelopment Authority (WCBRA), which facilitates the implementation of plans relating to the identification and treatment of environmentally- distressed and blighted areas within the County of Washtenaw, pursuant and in accordance with provisions of the Act;

Whereas The Act requires explicit consent of each local unit of government included in the Authority, which the City of Ann Arbor joined by resolution R-24-1-02; and

Whereas, The Ann Arbor Housing Commission will be submitting a proposed Brownfield Plan, which would enable the AAHC to seek Local Brownfield Revolving Funds and if approved demolish and redevelop the property thereby eliminating the blight;

RESOLVED, That City Council determine that the property located at 1514 - 1520 White Street, 701 - 709 Henry and 1521 State as blighted under the criteria for attractive nuisance specified under the Brownfield Redevelopment Financing Act; and

RESOLVED, That a copy of this Resolution be provided to The Ann Arbor Housing Commission.