

# MEMORANDUM

**TO:** Ann Arbor Housing & Human Services Advisory Board

**CC:** Councilmember Chris Watson, Liaison to HHSAB  
Milton Dohoney Jr., City Administrator  
Tara Cohen, Washtenaw County Staff to HHSAB  
Jennifer Hall, Executive Director, Ann Arbor Housing Commission

**FROM:** Derek Delacourt, Ann Arbor Community Services Area Administrator

**DATE:** January 6, 2025

**SUBJECT:** Recommendation for dissolution of Housing & Human Services Advisory Board

After having discussed this matter with City Administrator Dohoney and Council members Song and Watson, as liaisons to the Board, it is my recommendation that the Housing and Human Services Advisory Board (HHSAB) be dissolved.

Some relevant background and rationale for the recommendation to dissolve the HHSAB are outlined below.

The function of the HHSAB is advisory, with a stated purpose as delineated in the board bylaws “to make recommendations to the City Council, City Administration, and the Office of Community & Economic Development regarding policies and programs to address the housing and human services needs of low income residents of the City of Ann Arbor.”

The HHSAB was created in 2007 as a consolidation of two (2) other City bodies - Ann Arbor’s CDBG Executive Committee and the Ann Arbor Housing Policy Board. A third body with overlapping functions was the City’s Waiver and Review Board, eliminated 2 years later in 2009 when Ann Arbor formally joined the Washtenaw Urban County.

### **Washtenaw Urban County/HUD Funding**

In the past, the HHSAB and its predecessor boards performed a role of soliciting funding priorities for Community Development Block Grant funds (CDBG) and the Consolidated Plan (a HUD requirement for communities receiving CDBG formula funds). However, since 2009, these functions have been centralized under the Washtenaw Urban County Executive Committee with the Washtenaw County Office of Community and Economic Development (OCED) serving as the lead agency. With the City of Ann Arbor representing only 1 of 21 local units of government belonging to the Urban County, the HHSAB does not serve a critical function as it relates to Urban County HUD funding and countywide prioritization of those dollars.

### **End of Coordinated Funding/Creation of New Human Services Partnership**

Additionally, the HHSAB once had a formal role for Coordinated Funding, a collaborative 10-year effort aimed at streamlining the funding of social services throughout the County. A few years ago, Coordinated Funding came to an end and was replaced with the [New Human Services Partnership](#) (NHSP) model. And, while HHSAB members are welcome and encouraged to apply to serve as a NHSP community reviewer, the HHSAB no longer has a formalized role to provide representatives for the grant review process.

## **Recommendations to City Council**

One ongoing function of the HHSAB is to present policy and funding recommendations to the City Council when pertinent to human services or housing issues affecting Ann Arbor and under the purview of Council. That said, over the last 2 years, items brought by HHSAB to City Council were limited to the following:

- resolution to amend the Ann Arbor Affordable Housing Fund (AAAHF) Policy (June 2024);
- resolution to amend the HHSAB bylaws –to make the youth seat a voting member (June 2023) provision;
- Language in support of Council’s efforts regarding the use of marijuana excise tax funds (2023).

## **Ann Arbor Affordable Housing Fund**

In effect, the key role for the HHSAB as of this moment, under the recently amended Ann Arbor Affordable Housing Fund (AAAHF) Policy, is to make funding recommendations for AAAHF awards at or above \$75,000 (per the amended policy, awards under \$75,000 are approved administratively by OCED, under contract by the City to administer the City’s community development work.)

Still, due to minimal unencumbered dollars for the last several years there has been little to no activity on this fund. Over the next 1 to 3 years, however, the City anticipates a windfall of approximately \$18 million to the fund in the form of payments (in lieu of affordable units) from 3 new housing developments being built and that are subject to City ordinances requiring 15% of units be affordable or a payment in lieu to the AAAHF.

With the City’s Affordable Housing millage now in place, efficiencies could be realized if the AAAHF administration were to be moved out of OCED to instead live with the Ann Arbor Housing Commission, which is already charged with administering the millage funds. By housing both of these funds under a single agency, it would allow for streamlining and reduced administrative burden for both City and County staff, as well as for any affordable housing developers seeking to layer these funding sources to more effectively finance new affordable housing units within Ann Arbor.

Given all of the above factors, and with respect for the valuable but limited time and energy of board members and staff, I recommend that the HHSAB is dissolved.

**DRAFT HHSAB 2025 WORKPLAN FOR APPROVAL**

**JANUARY 1, 2025 TO DECEMBER 31, 2025**

*months in green are in-person meetings*

	ACTIVITIES	POLICY AREA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG - NO MTG	SEP	OCT	NOV	DEC - NO MTG	WORK PRODUCT
1	AFFORDABLE HOUSING POLICY REVIEW & ADVOCACY	HOUSING	X												AH Dashboard/Inventory AH Waitlist updates Below Market Units Created through Zoning Incentives
2	PROVIDE INPUT FOR ANN ARBOR AFFORDABLE HOUSING FUND PROJECT APPLICATION FORM	HOUSING		X	X										Final Application form to be made available publicly for eligible entities to apply for Ann Arbor Affordable Housing Fund for proposed projects (\$75k - \$250k). Operationalize the 3-tiered application process in the AAAHF policy approved by City Council in May 2024.
3	PROVIDE INPUT FOR RFP TEMPLATE FOR ANN ARBOR AFFORDABLE HOUSING FUND DOLLARS					X									Final RFP template for solicitation of Ann Arbor Affordable Housing Fund proposals (projects over \$250k) Operationalize the 3-tiered application process in the AAAHF policy approved by City Council in May 2024.
4	NEW HUMAN SERVICES PARTNERSHIP UPDATE	HOUSING & HUMAN SERVICES					X					X			Information sharing and discussion re: NHSP initiative that replaced Coordinated Funding in 2022; OCED Human Services team to update the board on RFPs, awards, and evaluation outcomes.  NHSP website: <a href="https://www.washtenaw.org/3422/New-Human-Services-Partnership-Planning">https://www.washtenaw.org/3422/New-Human-Services-Partnership-Planning</a>
5	RECOMMENDED ZONING & POLICY CHANGES TO ADVANCE AFFORDABLE HOUSING OPPORTUNITIES	HOUSING		X							X				Connect with City Planning department on ongoing conversations related to zoning changes including single-family zoning, updated master plan, etc.  (If applicable) Learn how the City's Pathways to Removing Obstacles HUD funding is being utilized; review progress in each proposed strategy area (ie. planning/zoning/land use; development; infrastructure; preservation)
6	ANN ARBOR HOUSING COMMISSION UPDATE	HOUSING							X						Identify gaps, emerging issues and/or data needs for the purposes of informing public affordable housing policy recommendations to City Council.  Updates on AAHC-led development of City-owned lots and use of AH Millage funds (Prop C).
7	FOOD SECURITY & BARRIER BUSTERS UPDATE	HOUSING & HUMAN SERVICES						X							Updates from on Barrier Busters program and Food Security in Washtenaw County.
8	HOMELESSNESS RESPONSE UPDATES	HOUSING & HUMAN SERVICES			X				X				X		Enhanced understanding of ongoing efforts to end homelessness and improve affordable housing stock. Identify service gaps, emerging issues and/or data needs for the purposes of informing housing & human services policy recommendations to City Council.
9	HOUSING & HUMAN SERVICE EMERGENT ISSUES	HOUSING & HUMAN SERVICES	X	X	X	X	X	X	X		X	X	X		Analysis and policy recommendation regarding emergent housing/human services issues as necessary.
10	OUTREACH & PUBLIC ENGAGEMENT ON AFFORDABLE HOUSING	HOUSING						X	X	X					June & July: Committee members plan community event/engagement on affordable housing to be held in August (possible topics: definitions of affordable housing and associated challenges)
11	2026 CONFLICT OF INTEREST DISCLOSURES	ADMINISTRATIVE											X		2026 Conflict of Interest (COI) Disclosures Completed by member
12	APPROVE 2026 WORKPLAN	ADMINISTRATIVE											X		2026 HHSAB work plan approved.
13	ELECTION OF NEW 2026 OFFICERS	ADMINISTRATIVE											X		2026 officers nominated and elected.
13	APPROVE 2026 HHSAB MEETING SCHEDULE	ADMINISTRATIVE											X		2026 HHSAB meeting schedule approved.



# CITY OF ANN ARBOR MEETING NOTICE

## Housing and Human Services Advisory Board Meeting Dates

Meeting Location: Virtual via Zoom unless noted as in-person. In-Person meetings will be held at Washtenaw County Administration Building, 200 N. Main Street, Ann Arbor.

January 9, 2025 (in person)	February 13, 2025	March 13, 2025
April 10, 2025 (in person)	May 8, 2025	June 12, 2025
July 10, 2025 (in person)	August – No meeting	September 11, 2025
October 9, 2025 (in person)	November 13, 2025	December – No meeting

India Williams  
Washtenaw County Office of Community & Economic Development  
415 W. Michigan Ave, Suite 2200, Ann Arbor, MI 48197  
williamsi@washtenaw.org  
Posted:

All persons are encouraged to participate in public meetings. Accommodations, including sign language interpreters, may be arranged by contacting the City Clerk's office at 734.794.6140; via email to: [cityclerk@a2gov.org](mailto:cityclerk@a2gov.org); or by written request addressed and mailed or delivered to:

City Clerk's Office  
301 E. Huron St.  
Ann Arbor, MI 48104

Requests made with less than two business days notice may not be able to be accommodated.

# **ANN ARBOR AFFORDABLE HOUSING RENTAL DEVELOPMENT MILLAGE FUNDING**

**REQUEST FOR PROPOSALS  
(SOLICITATION NO. Millage 2024-01)**

**ANN ARBOR HOUSING DEVELOPMENT CORPORATION**

Issuance Date: 8/12/2024

**Submission Deadline  
Thursday 8/29/2024 5PM EST**

**ALL QUESTIONS MUST BE SUBMITTED IN WRITING TO:  
Jennifer Hall Jhall@a2gov.org**

Issued by:  
Ann Arbor Housing Commission  
Jennifer Hall, Executive Director  
Ann Arbor Housing Development Corporation  
Jennifer Hall, Secretary/Treasurer

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## A. BACKGROUND

On the November 2020 election ballot, Ann Arbor residents voted on Proposal C to adopt the charter amendment establishing a millage related to the community's investment in affordable housing. Proposal C was passed with 73% approval from Ann Arbor voters, with every precinct voting in favor. The Charter language "authorized to raise by general tax upon real and personal property by this Charter or any other provision of law, the City shall, in 2021 through 2041, annually levy a tax of up to one mill on all taxable real and personal property situated within the City for the purpose of building, maintaining, and acquiring new affordable housing units which are permanently affordable to low-income households making no income up to 60% of area median income and providing social services, not to exceed 20% of the millage revenues over the entire term of the millage, for the residents of such housing. No money collected pursuant to this millage shall be spent on building, maintaining, or acquiring new units located in the floodplain or floodway."

The millage generates funds to develop housing for Ann Arbor residents earning 60% or less of the Area Median Income by assessing a 1-mill tax over 20 years, estimated to be \$6,550,505 in year 1. The new units developed through millage funds are expected to meet over 50% of the goal established in a 2015 analysis of affordable housing in Washtenaw County of 140 units/year affordable to households at 60% AMI or less. The passage of Proposal C marks the most significant expansion of affordable housing funding in the region in over 50 years.

It is projected that the funds generated by the millage will support the creation of about 1,500 units of affordable housing to house about 3,700 residents, with about a quarter of those units being set aside as permanent supportive housing. The funding is to be utilized in projects that meet the guidelines established by the Ann Arbor City Council on July 27, 2020:



AAHDC reserves the right to not award any funds to any specific project for any reason and to determine the amount, type and size of its participation in any project.

## B. NOTICE OF REQUEST FOR AFFORDABLE HOUSING PROPOSALS

Through a Grant Agreement between the City of Ann Arbor, the Ann Arbor Housing Commission (AAHC), and the Ann Arbor Housing Development Corporation (AAHDC), the AAHDC was designated as the administrator of the affordable housing millage funding, staffed by the AAHC.

In such role, AAHDC is seeking proposals from non-profit and for-profit developers that need gap funding for their multi-family residential new construction, multi-family acquisition and/or preservation/rehabilitation, or permanent supportive housing projects benefitting households at or below 60% AMI, with a further preference for households at or below 30% AMI.

***Proposals submitted in response to this RFP must be received by the AAHDC at Jhall@a2gov.org by 5pm on Thursday August 29, 2024. Proposals must be submitted by email.***

AAHDC plans to release a Notice of Funding Availability (NOFA) at a later date, which will provide for an ongoing, open window application process for the Affordable Housing Millage funding, subject to available funding.

### **C. THRESHOLD REQUIREMENTS**

- a. Ineligible Units - Millage funds will not be awarded for units that private developers are required to provide through Washtenaw County's Brownfield TIF or through the City of Ann Arbor's Zoning requirements as this would be a duplication of public resources, unless the developer agrees to reduce the income limits from 60% AMI to 30% AMI for those required units.
- b. Income Restrictions - Project must serve households at or below 60% AMI. At a minimum, the project must include 15% of all units restricted to 30% AMI or less or 50% of all units restricted to 60% AMI or less. Projects which do not include the minimum income targeting threshold requirements will not be considered.
- c. Affordability Covenant - Projects must agree to an affordability restrictive covenant to be recorded on the subsidized units in the project, to ensure that the income restricted units remain in place for 99 years.
- d. Site Control - Projects must evidence site control through ownership, long term lease, option to purchase or long-term ground lease.
- e. Floodplain or Floodway - Projects may not include building, maintaining, or acquiring units located in the floodplain or floodway.
- f. Environmental – A Phase I Environmental Site Assessment completed to current ASTM 1527 standards is required. Phase I ESA must be dated within 12 months of application submission. Note that the Phase I ESA may require updating or renewing later on, nearer the closing date, to meet federal and state liability requirements.
- g. Energy Efficiency Measures. New Construction must meet the National Green Building Standard, LEED, or Enterprise Green Standards or equivalent green standard. Renovations must include a reduction in electrical usage by 20% and a reduction in natural gas usage by 15% to meet the City of Ann Arbor's 2030 Goals.

### **D. SCORING PREFERENCES**

- a. **Leveraging** – Projects evidencing larger percentages of funding sources (other than Ann Arbor Affordable Housing Millage funds) to finance the total project costs will be given



preference. In addition to non-millage fund sources, preference will be given to projects that have secured donation of land/buildings, long-term nominal lease terms, or project based operating subsidies.

**b. Capacity** – Projects that include a team which demonstrates financial capacity and experience to complete the proposed project with evidence of previous experience with a similar project will be given preference.

**c. Readiness to Proceed** – Projects evidence readiness to proceed will be given preference as documented by having all necessary land use approvals, environmental clearance or an approved plan for any necessary mitigation, executed contracts with the architect and general contractor, and all other funding secured.

**d. Income Targeting** – Proposals targeting more than 15% of units for 30% AMI households will be given preference. Proposals limiting households to 30% AMI with project-based vouchers or project-based rental assistance may set rents at the applicable HUD-allowed rent.

**e. Sustainability** – Proposals committing to all electric except back-up generators, innovative sustainability features and projects built to Net Zero Energy standards will be given preference.

## **E. RFP SUBMITTAL REQUIREMENTS**

**AAHDC will accept the use of application forms and documents completed for other funding sources so long as all the information requested below is submitted. A non-exhaustive list of examples of other funding application documents that may be used include those from the Michigan State Housing Development Authority (MSHDA), Federal Home Loan Bank Indianapolis AHP, and Washtenaw County. AAHDC will consider other formats or application documents so long as each item in the checklist is provided.**

### **a. Applicant Information**

- i. Organizational Chart – Provide the proposed organizational chart and formation documents of Applicant and its members or partners with ownership percentages included, as well as a disclosure of any direct or indirect relationship or interest between the parties.
- ii. Developer/Sponsor Experience – include a description of any comparable projects completed in the prior 5 years, including addresses. Please include total number of units, bedroom size mix, income target mix, total development cost, and development partners such as public facility corporations, housing finance corporations, housing authorities, etc.
- iii. Project Team - list of staff, consultants, attorneys, architects, contractors, and other advisors to be involved in the project. Please include contact information for each critical team member.
- iv. Debarments/Bankruptcies -List of any debarments, loan defaults, bankruptcies, or pending litigation involving any managing members of the Developer/Sponsor entity.

### **b. Project Information**

- i. Project Narrative – Provide a summary of the proposed development or acquisition, including total project cost, project schedule and phasing, unit and affordability mix, design concepts and amenities, common areas, resident services, zoning requirements and changes proposed, any recognized environmental concerns/mitigation plans, and plans for any required relocation.

- ii. Rent plan - Include a rent schedule which includes each unit type (including # of bedrooms, bathrooms and SF), affordability to each AMI level to be served and assumed utility allowances that are tenant-paid.
- iii. Conceptual schematic drawings (including floorplans, elevations, and site plans) for new construction if available.
- iv. Market Study - Please include any market studies completed for the project.
- v. Community Engagement - Information about community engagement completed or planned. Describe what community engagement surrounding the project that has been completed. Describe what actions have been taken to communicate the project characteristics and progress with immediate neighbors.

**c. Property Information**

- i. Description of current property ownership. If someone owns property other than the Applicant, include a description of the Applicant's means of site control as well as copies of any lease, option, or purchase agreements.
- ii. If acquisition provide appraisal. If rehabilitation provide scope of work or other property studies,
- iii. Copies of any available engineering, environmental, describe any plans for remediation or other environmental cleanup.

**d. Financial Information**

- i. Financial Capacity - Most recent two years of audited financial statements of Sponsor or anyone having 20% or more ownership. If Applicant is a special purpose or single-asset entity, also submit the most recent two years of audited financial statements for the controlling entity of Applicant. Applicants that do not have audited financial statements shall submit sufficient financial documentation to verify capacity to complete the development.
- ii. Documentation of Other Funding – Provide list of other sources of project funding and evidence of firm commitment.
- iii. Development budget sources and uses. Must be broken out with sufficient detail that AAHDC can determine cost reasonableness.
- iv. Operating proforma with a minimum 15-year term with enough detail that AAHDC can determine cost reasonableness.
- v. Resident Services 5-year operating budget if requesting resident services funding, including other service funding secured or that will be raised/applied for.

**F. PROPOSAL SUBMITTAL DEADLINE**

***Due Date & Time: Proposals submitted in response to this RFP must be received by AAHDC at Jhall@a2gov.org by 5pm on Thursday August 29, 2024 by email only.***

- Respondents may contact Jennifer Hall, Executive Director, [Jhall@a2gov.org](mailto:Jhall@a2gov.org) with written questions concerning this RFP. All questions shall be sent by e-mail.

**G. PROPOSAL EVALUATION SCORING**

Submissions must complete the application cover sheet below and submit additional sufficient documentation to meet all requirements in the Sections C, D, and E above. The application will be evaluated and rated according to the scoring criteria below.

CRITERIA		SCORING (100)	
A. Leveraging	Millage request as a % of total development costs	0 - 20	
	Donated land/buildings, long-term nominal lease terms, and/or project based operating subsidies	0 - 10	
B. Capacity	Development Team Experience	0 - 20	
	Non-profit developer (majority owner and majority developer fee)	10	
C. Readiness to Proceed	Realistic development plan and construction within 9 months of application	0 - 20	
D. Income Targeting	30% AMI income target for more than 15% of the total units	0 - 10	
E. Sustainability	Extent of sustainability above threshold standard	0 – 10	

1. Each application will be evaluated by the above-described criteria and point system (A through E). The AAHDC reserves the right to reject any application that it determines to be unresponsive and deficient in any of the information requested for evaluation. An application with all the requested information does not guarantee the applicant will be awarded funding. References may be requested to verify material submitted.
2. The AAHDC may, at its option, will provide an opportunity to discuss in more detail an applicant’s proposal and adjustments to scoring will be made if appropriate.

Any proposal that does not conform fully to these instructions may be rejected.

**ADDENDA**

If it becomes necessary to revise any part of the RFP, the addendum will be posted to:

<https://www.a2gov.org/departments/Housing/Pages/default.aspx#notice>

# H. Ann Arbor Affordable Housing Millage Funding Application COVER SHEET



ANNARBOR HOUSING COMMISSION

## Applicant/Sponsor:

Sponsor/Applicant: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Owner (if different than Applicant): \_\_\_\_\_ Contact: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

## List All Entities/Owners Who Are Earning Any Portion of Developer Fee:

Name: \_\_\_\_\_ Address: \_\_\_\_\_ %: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_ %: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_ %: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_ %: \_\_\_\_\_

## Ownership Entity Structure:

Individual/entities	501(c)3 or wholly owned subsidiaries	TIN#	% Owner
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Has Any Member of Applicant/Sponsor/Owner ever filed for bankruptcy, defaulted on any loan, or been debarred:  NO  YES; If yes, please submit a written explanation with the proposal.

**Project Detail**

Project Name: \_\_\_\_\_ Project Address: \_\_\_\_\_

Parcel Identification Number: \_\_\_\_\_

Check all that apply:       New Construction       Acquisition       Rehabilitation  
                                  Adaptive Re-Use       Historic Preservation       Mixed Use

Check all that apply:       Mixed Income       Permanent Supportive Housing

Low/Moderate Income (all units restricted below 60% AMI)       SRO

Site Acreage: \_\_\_\_\_ Existing Building SF: \_\_\_\_\_

Proposed Residential SF: \_\_\_\_\_ Existing Zoning: \_\_\_\_\_

Proposed commercial SF: \_\_\_\_\_ Residential Common Areas SF: \_\_\_\_\_

Check all that apply:      Residential Unit Type:       Apartment       Duplex

Townhome/Row House       Semi-Attached       Detached       Other: \_\_\_\_\_

Total Residential Units: \_\_\_\_\_ Number of Restricted Units 31% - 60% AMI: \_\_\_\_\_

Number of Unrestricted Market Units: \_\_\_\_\_ Number of 30% AMI or less: \_\_\_\_\_

**Project Funding** (full description of funding plan must comply with Section E(d) of RFP):

Total Development Costs: \_\_\_\_\_ Amount of Funds Requested: \_\_\_\_\_

Proposed Terms of Repayment: \_\_\_\_\_

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## Proposed Project Schedule:

### Milestones

### Date

#### Predevelopment

Ownership Entity Created \_\_\_\_\_

Zoning \_\_\_\_\_

Site Plan Approval \_\_\_\_\_

PILOT Approval (if applicable) \_\_\_\_\_

#### Financing Approvals

Firm Construction Financing Commitment(s) \_\_\_\_\_

Firm Permanent Financing Commitments (s) \_\_\_\_\_

Equity Financing Commitment(s) \_\_\_\_\_

Other Subordinate Financing Commitment(s) \_\_\_\_\_

#### Closing and Construction/Rehab

Final Plans and Specifications \_\_\_\_\_

Building and Other Required Permits \_\_\_\_\_

Construction financing closing \_\_\_\_\_

Construction Start \_\_\_\_\_

50% Construction Completion \_\_\_\_\_

100% Construction Completion \_\_\_\_\_

Permanent financing closing \_\_\_\_\_

#### Lease Up/Stabilization

Start of Lease Up \_\_\_\_\_

Lease Up Complete \_\_\_\_\_

Stabilized Operations \_\_\_\_\_

Certification of Application: As an authorized party of the sponsor/applicant/owner, I attest that all the information included in the AAAHMF Application is true and correct.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

For ease of review, please label attachments

## R-24-24

### **Resolution to Approve a \$3 million Loan to UNION AT A2 Limited Dividend Housing Association Limited Partnership, for the Development of Union at A2 at 2050 Commerce Drive**

On August 12, 2024, the Ann Arbor Housing Development Corporation (AAHDC) issued a Request for Proposals (RFP Millage 24-01) seeking proposals from non-profit and for-profit developers that need gap funding from the Affordable Housing Millage for their multi-family residential new construction, acquisition and rehabilitation or preservation projects. The millage is limited to households at or below 60% AMI, with a further preference for households at or below 30% AMI. Up to 20% of the millage can be used for supportive services.

The Annex Group® (TAG) submitted a proposal under this RFP for the Union at A2 requesting \$3 million from the Affordable Housing Millage. The Affordable Housing Millage funds would cover approximately 3.8% of the project's total development costs, which are estimated to be \$77,773,344. TAG is an Indiana based multi-family housing developer, general contractor, and owner with a portfolio of communities valued at more than \$500 million. Combining the career experience of its entire leadership team, The Annex Group has overseen more than \$1 billion in single family, multi-family, mixed-use and other commercial projects including redevelopment and ground-up construction.

TAG is proposing to develop 250 high quality affordable housing multifamily units on Commerce Drive in Ann Arbor. This site will be redeveloped into a new construction low-income housing development called Union at A2 which will provide the City of Ann Arbor with a significant number of new affordable housing units to meet its production goal of 140 units/year. The incomes in this development will target 30, 60, and 70% of Area Median Income for Washtenaw County. Please see the current affordability mix below:

- 45 units at the 30% Area Median Income Level
  - 1-3 bedrooms offered at \$649 - \$886
- 73 units at the 60% Area Median Income Level
  - 1 bedrooms offered at \$1,347
- 132 units at the 70% Area Median Income Level
  - 1-3 bedrooms offered at \$1,579 - \$2,176

The unit mix will be a variety of 1-, 2-, and 3-bedroom units. The site plan for this development features a single 5-story building (floors are at grade level) urban style apartment building. The various amenities that this project has to offer will be located within the building. These amenities include a community room with a kitchen/coffee station, bike storage facility, fitness room, leasing/management office, a mailroom, picnic/grilling area, a playground, and storage spaces.

This location is suitable for an affordable housing development given its proximity to various amenities and transportation services. Ann Arbor City Council has approved a

site plan (November 23rd, 2022) and a PILOT. The primary funding source is a 4% LIHTC & bond financing through MSHDA, which has also approved over \$15 million in soft funding to support the project. TAG formed UNION AT A2 limited dividend housing association limited partnership, a Michigan limited partnership, a single-purpose entity to be controlled by Union of A2 GP LLC, an Indiana limited liability corporation and NDC Corporate Equity Fund 21, LP, a Delaware limited partnership.

Staff recommend approval of \$3 million loan with 1% annual simple interest, to fill the final financing gap to enable this project to be built. The AAHDC's loan will be in last position behind MSHDA's loans. However, MSHDA has agreed to a pro-rated shared cash-flow repayment (pari-passu) with the AAHDC loan. MSHDA is requiring a 30-year affordability commitment for all of the units and the AAHDC is requiring an additional 99-year affordability period for 15% of the units through a restrictive covenant. The loan will have a balloon repayment at the time of any future recapitalization or change in ownership.

RESOLVED, That the Ann Arbor Housing Development Corporation Board approves a \$3 million loan to UNION AT A2 limited dividend housing association limited partnership with 1% annual simple interest, repaid with through cash-flow, pari-passu with MSHDA's loans;

RESOLVED, That the Secretary-Treasurer be authorized to take any necessary action to implement this resolution.



**R-24-25**

**Ann Arbor Housing Development Corporation**

**August 19, 2024**

**Resolution to Approve a \$500,000 Affordable Housing Millage Grant with Avalon Nonprofit Housing Corporation or an Affiliated Entity to Develop Hickory Way III at 1146 S. Maple Road, Ann Arbor MI 48103 and \$198,000 in Supportive Services Funding**

The Ann Arbor Housing Development Corporation through the Ann Arbor Housing Commission issued a Request for Proposal for affordable housing millage funds and received 3 responses. After reviewing the 3 responses, Avalon Housing’s application for \$500,000 for the development of Hickory Way III had the highest score of 84/100 points.

Hickory Way III is a one (1) acre parcel at 1146 S. Maple Road, directly adjacent to Avalon’s existing Hickory Way I and II developments. HWA III will consist of a single, four-story building with 39 one-bedroom units, along with an elevator and community space. Fifteen (15) units will be targeted to households at or below 60% of area median income. Twenty-four (24) units will be targeted to households at or below 50% of area median income. Twenty of these 50% units will be supportive housing and further targeted to households who have incomes below 30% of AMI. Referrals for the supportive housing units will come directly from the County's central wait list for homeless households, Housing Access of Washtenaw County (HAWC).

**HWA III Rent Schedule – all 1 bedroom units**

AMI	Total Units	Bedroom Size	Rent
30% AMI Supp Housing with project-based vouchers	20	1 br	\$1480
50% AMI units	4	1 br	\$600
60% AMI units	15	1 br	\$600
Total	39		

Avalon is applying for a 9% Low Income Tax Credit award in the October 2024 MSHDA funding round. If awarded, construction would begin in 2025 and lease up would occur in early 2027.

The total development budget is \$17,204,285. Following are the anticipated funding sources:

- \$197,765 HUD HOME funds through Washtenaw County (awarded)
- \$750,000 Federal Home Loan Bank (application November 2024)
- \$14,188,581 Low Income Housing Tax Credits (application October 2024)

- \$1,457,839 HUD Continuum of Care Builds NOFO (application November 2024)
- \$500,000 Request for City of Ann Arbor Affordable Housing Funds

Avalon is applying for LIHTC through the permanent supportive housing category. Consequently, they must identify the funding source for their services funding. Avalon is requesting \$198,000 in City affordable housing millage funds for the first year of services. If Hickory Way III is developed with affordable housing millage funds it will be eligible to request services funding annually, subject to budget availability.

Services include peer support, a community builder and resident support staff, and the necessary professional and back-office staff. Supportive housing services are grounded in a housing first philosophy, and focus on maintaining housing stability as well as enhancing tenants' quality of life. Eviction prevention efforts for high-risk tenants are prioritized and coordinated with property managers.

The supportive housing services are voluntary, highly individualized and flexible based on tenant need. Services include outreach and engagement, referral and advocacy, community building, and a range of direct supports designed to address tenant behaviors that may threaten their housing. Common services provided include support for mental health management, relapse prevention, independent living skills, advocacy around benefits and health care, conflict resolution, and assistance with basic needs such as food. Support services for Hickory Way Apartments Phase III tenants are not time limited and will vary in frequency and intensity as needed throughout their tenancy.

HWA III's community space will provide a range of programs and activities designed to help tenants build skills, develop tenant organizations, foster peer support and connect with volunteers and community services.

RESOLVED, That the Ann Arbor Housing Development Corporation approves a grant from the Affordable Housing Millage for \$500,000 to Avalon Nonprofit Housing Corporation, or an affiliated entity to develop Hickory Way III at 1146 S. Maple Road, Ann Arbor;

RESOLVED, That the Ann Arbor Housing Development Corporation approves a grant for \$198,000 to Avalon Nonprofit Housing Corporation, or an affiliated entity for the first year of resident supportive services at Hickory Way III, with eligibility to request annual services funding;

RESOLVED, That the Secretary-Treasurer be authorized to take any necessary action to implement this resolution.

**R-24-26**

**Ann Arbor Housing Development Corporation**

**August 19, 2024**

**Resolution to Approve a \$500,000 Loan with 3695 State LDHA LP or an Affiliated Entity to Develop 3695 State Street, Ann Arbor MI 48104 as Affordable Housing**

The Ann Arbor Housing Development Corporation through the Ann Arbor Housing Commission issued a Request for Proposal for affordable housing millage funds and received 3 responses. Lockwood Development’s score was the 3<sup>rd</sup> highest with 53/100 points. There are not enough funds in the FY25 budget to allocate funds to Lockwood to develop 3695 State LDHA LP, however, the project is a worthy project to support. Staff are recommending a \$500,000 loan from the FY26 affordable housing millage budget.

The development includes 66 units on a 1.43 acre site, on the east side of State Street, south of I-94. The project will have an income average of 60% AMI with the following income targets and unit sizes:

Unit Type	APARTMENT UNIT MIX											
	70% AMI			60% AMI			60% High HOME			50% Low HOME		
	# of Units	Rent	Utility Allowance	# of Units	Rent	Utility Allowance	# of Units	Rent	Utility Allowance	# of Units	Rent	Utility Allowance
One Bedroom/One Bathroom	6	\$1,453	\$ 115	24	\$1,229	\$ 115	8	\$ 1,119	\$ 115	6	\$ 1,005	\$ 115
Two Bedroom/Two bathroom	1	\$1,730	\$ 153	15	\$1,461	\$ 153	4	\$ 1,318	\$ 153	2	\$ 1,192	\$ 153

Lockwood is applying for 4% Low Income Housing Tax Credits & Bond Financing through MSHDA as well as MSHDA loans. The anticipated funding sources are below:

**Total Project Cost and Financing**

The total development cost is \$22.8 million. The permanent funding sources consist of:

- a) LIHTC Equity - \$9 million
- b) MSHDA Permanent Loan - \$7.6 million
- c) MSHDA Gap Financing - \$3.7 million
- d) Deferred Developer Fee - \$1 million
- e) Ann Arbor Housing Commission - \$1.5 million (Requested)

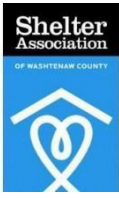
Lockwood requested \$1.5 million in affordable housing funds, however, there is not enough funding available to allocate the full \$1.5 million at this time. Jennifer Hall talked to the owner and will continue having conversations over the next 6-9 months about what their financial gap is and whether additional funding can be awarded in the future. The project is still going through site plan approval, which can impact the projected budget. The developer will also be applying to Washtenaw County for HOME funds, which would help close the funding gap.

Lockwood will be required by MSHDA to commit to at least a 30-year affordability period and they have agreed to a 99-year affordability period for at least 15% of the units to comply with the City's permanent affordability requirement. Lockwood will work with the AAHDC and MSHDA to agree to loan repayment terms, including pari passu loan repayment with MSHDA, where the AAHDC & MSHDA will receive loan payments that are equivalent to the % of our investments, rather than paying off MSHDA first and then the AAHDC second. The proposed interest rate is a 1% simple annual interest, paid from 50% of cash-flow, similar to what was negotiated with MSHDA and the Annex Group for the Union @ A2 development.

The community spaces will include a commercial-grade fitness center, a community lounge space with coffee bar and business center. Other project amenities include dedicated resident storage lockers and bike storage stations. Ample parking surrounds the outside of the building. The development will have a robust amenity package including a secure gated parking lot with EV chargers available.

RESOLVED, That the Ann Arbor Housing Development Corporation approves a FY26 affordable housing millage loan for \$500,000 to 3695 State LDHA LP or an Affiliated Entity to develop an affordable housing project as described above with a 1% simple annual interest paid pari passu with MSHDA from 50% of cash-flow, upon approval of MSHDA;

RESOLVED, That the Secretary-Treasurer be authorized to take any necessary action to implement this resolution.



SHELTER ASSOCIATION OF WASHTENAW COUNTY & ALPHA HOUSE

WINTER PROGRAMS INFORMATION 2024-2025

PLEASE NOTE THAT IN AN EFFORT TO MEET COMMUNITY NEED- OUR SHELTERING OPTIONS MAY CHANGE, INFORMATION WILL BE UPDATED AS NEEDED



When is the winter shelter open? – November 11th, 2024 – April 13th, 2025 pending weather conditions. Overnight Shelter is available each night beginning at 7:00pm.

Will I be safe? - We work diligently with the Community Partners to maintain health and safety protocols to keep you safe. If anyone is ill, we will work to get them medical attention immediately.

How do I get into the shelter? – Any individuals or families seeking emergency shelter please contact Housing Access of Washtenaw County (HAWC) at 734-961-1999 to obtain a referral to the Shelter Association of Washtenaw County (individuals) or Alpha House (families). If it is after 5pm or weekend, if you’re an individual, please come to or call the Delonis Center (734-662-2829) and we’ll assist serving you. Families, please come to or call Alpha House for assistance anytime at 734-822-0220.

What is provided? – Individuals and families are provided a safe place to sleep each night and can access a wide variety of services including meals, case management, medical care, and most importantly help finding permanent housing.

Where is overnight shelter provided? – For individuals, nighttime accommodations are at the Delonis Center; 312 W. Huron St., Ann Arbor, and at offsite locations including Congregation partners throughout the County, and there is an overnight shelter in Ypsilanti. During day-time hours, those seeking overnight shelter should first contact HAWC to obtain a referral for shelter at 734-961-1999. If it is after 5pm or weekend, for individuals, please come to the Delonis Center or call the Delonis Center at 734-662-2829 and we’ll assist with ensuring you’re served and provide transportation to an offsite location if needed. For families, please visit or call Alpha House for assistance anytime at 734-822-0220.

What about during the daytime? – Daytime shelter accommodations are available throughout the winter shelter season. Day shelter is provided through a partnership with the local group MISSION. Day-time accommodations will also be provided, Monday-Thursday in Ypsilanti, location at Freighthouse. Please see the schedule below for a list of locations. Some Day-time sites open hours vary. If you are seeking day shelter on the weekend, please call 734-662-2829 to be given the most up to date information. We will have day-time shelter accommodations 7 days a week. For families, please contact Alpha House for day shelter assistance.

How can I be connected to housing resources? An Intake Specialist will connect with you to discuss housing resources and share information about housing case management assisting you with your housing search. See staff member to for assistance.

Who’s here to support me during my housing crisis? There are a number organizations devoted to helping you. Whether you call Housing Access of Washtenaw County or visit the Delonis Center or Alpha House for shelter, you will be connected to a network of almost 30 organizations to help you with moving into safe, permanent housing.

Please contact the Delonis Center at 734-662-2829 if you have any questions or need more information.

Table with 3 columns: Location, Address, Month/Dates. Lists various shelter locations and their operating periods.



Winter Programs generously supported by Washtenaw County Government, the City of Ypsilanti, and direct community donations.



## TEMPORARY DAYTIME WEATHER HAVENS

Individuals needing to escape adverse cold conditions (real or wind chill temperature at 20 degrees or below) can temporarily stay at these weather havens before continuing to their destination.

Location	Phone	Address	City	Hours of Operation
<b>Ann Arbor District Library Downtown</b>	(734) 327-4263	343 S. Fifth Ave	Ann Arbor	Mon – Sun: 10-8 pm
<b>Ann Arbor District Library Pittsfield Branch</b>	(734) 327-4263	2359 Oak Valley Dr	Ann Arbor	Mon – Sun: 10-8 pm
<b>Ann Arbor District Library Malletts Creek Branch</b>	(734) 327-4263	3090 E. Eisenhower Parkway	Ann Arbor	Mon – Sun: 10-8 pm
<b>Ann Arbor District Library West Branch</b>	(734) 327-4263	2503 Jackson Ave	Ann Arbor	Mon – Sun: 10-8 pm
<b>Ann Arbor District Library Traverwood Branch</b>	(734) 327-4263	3333 Traverwood Dr	Ann Arbor	Mon – Sun: 10-8 pm
<b>Briarwood Mall</b>	(734) 761-9550	100 Briarwood Circle	Ann Arbor	Mon - Thurs: 10-8 Fri - Sat: 10-9 Sun: 12 - 6
<b>Chelsea District Library</b>	(734) 475 - 8732 ext. 202	221 S. Main St	Chelsea	Mon - Thurs: 9-8 Fri: 10-6 Sat: 10 - 3 & Sun: 1 - 5
<b>Dexter District Library</b>	(734) 426 - 4477	3255 Alpine St	Dexter	Mon-Fri: 9-9 Sat: 9-5 Sun: 1-5
<b>Manchester District Library</b>	(734) 428-8045	912 City Rd	Manchester	Mon-Thurs: 10-8 Fri: 10-6 & Sat: 10-2 Sun: Closed

<b>Milan Public Library</b>	(734) 439-1240	151 Wabash St	Milan	Mon, Wed, Fri: 10-6 Tues & Thurs: 1-8 Sat: 10-4 & Sun: Closed
<b>Saline District Library</b>	(734) 429 -5450	555 N. Maple Rd	Saline	Mon-Thurs: 9-9 Fri & Sat: 10-5 Sun: 1-5
<b>Salem-South Lyon District Library</b>	(248) 437-6431	9800 Pontiac Trail	South Lyon	Mon-Thurs: 9-8 Fri & Sat: 10-5 Sun: Closed
<b>Washtenaw County Human Services Building (Atrium)</b>	(734) 544-6700	555 Towner St.	Ypsilanti	Mon-Fri: 8:30-5
<b>Ypsilanti District Library Whittaker Branch</b>	(734) 482 - 4110 ext. 1350	5577 Whittaker Road	Ypsilanti	Mon-Thurs: 9-9 Fri & Sat: 10-6 Sun: 1-5
<b>Ypsilanti District Library Superior Branch</b>	(734) 482-4110 ext. 1391	8795 MacArthur Blvd	Ypsilanti	Mon-Thurs: 9-9 Fri & Sat: 10-6 Sun: Closed
<b>Last Updated: October 2024</b>				