

MINUTES  
Housing and Human Services Advisory Board  
Thursday, July 11, 2019  
6:30-8:30pm  
200 N. Main Street  
Ann Arbor, MI 48104  
Lower Level Conference Room

Members Present: A. Carlisle, A. Erickson, A. Foster, G. Pratt, J. Daniel, D. Blanchard, E. Pollack, Z. Ackerman, A. Bannister

Members Absent: T. Jabzanka, P. Sher, F. Tsui, N. Wright, R.Sarri, J. Whinston

Staff Present: Teresa Gillotti, Mirada Jenkins, David Beck

Public Present:

I. Convene Meeting:

G. Pratt, chair, convened meeting at 6:40 pm

II. Public Comment

N/A

III. Approval of Agenda

A. Foster moved to approve agenda; E. Pollack seconded. Motion passed unanimously

IV. Review of Discussion Notes from 6-13-19

A. Bannister: I believe we should change the PUD portion in the councilmember updates. The City Council rezoned from PUD to C1AR, and we should reference the 1130 project.

G. Pratt: There's a double negative regarding the Morningside Property. Should be "Not accurate to say we gave up."

A. Carlisle: There is a typo in section E as well.

V. Business

A. Zoning/Policy Updates.

1) Changes to Downtown Premiums to encourage affordable housing

B. Lenart: In my past experience with this board, city ordinance had premiums for a long time. The most used amenities is housing. The city adopted standards to encourage more housing to be built downtown. The reasoning being that if people can live and work in same place, it has potential to lower emissions and congestion. Many projects have been built relying on residential premiums. The center of downtown is the core of D-1 district and D-2 is the fringes of downtown.

The D-1 District utilizes a 400% floor area ratio (FAR). That shows how many times you can replicate the area of your site. What's happened is that developments take advantage of these premiums. 75% of floor area has to be residential in use. That has been the most significant premium used in downtown. 700% FAR is most common.

900% FAR says that you can go higher/ have more sq ft if you provide affordable housing. More projects have been approved with this. 2 projects in review to use those premiums are Vick South on South University and 616 E. Washington Street, located behind the Michigan Theater. Both projects want to exceed 700% FAR. The City Council directed the staff and planning commission to consider possible amendments to reduce effectiveness of places that don't provide affordable units.

A. Foster: How do city codes work when the amendment is passed when in process of the old terms are still in place?

B. Lenart: The project will have to live up to new standards. This packet is the result of 3-4 meetings with planning commission. We have had several working sessions to respond to this directive. The next iteration deadline is August 6th for public hearing and comments. We want to eliminate the 2 premiums and reply with having 1 affordable residential use premium. We want to incorporate affordable housing to all premiums. Now proposing to increase the FAR to 900%. We don't want to exceed that, but want to change how to get to it. In order to achieve the first threshold, you must provide 15% of all floor area for all residential units. We are measuring area dedicated to corresponding units. To go to 700% FAR, 20% of floor area to residential uses must be dedicated to affordable units. To get to 900% FAR, 30% must be dedicated for affordable units.

Meeting height restrictions + FAR is a hard combo to match. You can go over 15% higher height requirement if you dedicate max area of affordable units. We're changing the threshold to have to use affordable units when over 400% FAR.

For the two projects under consideration: One can get to 860% FAR, the other must add 28ft more to get to 900% FAR.

One of the challenges of this is the balance of securing units vs resources. We recognize that some developers don't have much experience with managing affordable units. The balance that we allow for fee-in-lieu with # of units.

Z. Ackerman: I think one other helpful data point with the two projects is what % of units would be affordable.

B. Lenart: One is 10%, one is 12%.

A. Foster: I have 4 questions:

- Would finishes be the same?
- If exempt from the parking lot exemption, will affordable units have parking spots?
- The Building across The Blind Pig has anti-Airbnb rule for the apartments. Has it been discussed that city require such lease agreements?
- Would proposals allow for by-right development or approved by city council?

B. Lenart:

- Finishes: I think there's been conflict among staff where one side doesn't care about finishes. The other says if you don't make finishes equal, then you can permanently increase chances of "poor floors". I don't think we need to require finishes. If finishes help affordable units, I don't think we need to regulate that.
- Parking: We don't regulate how parking spots are allocated. We just require a certain number. It would be management's decision from providers.
- Airbnb: We haven't talked about Airbnb regulations yet, but are looking into it. As we don't inspect owner-occupied units, it's hard to keep track.
- By right: Premiums are by-right.

D. Blanchard: Right now, are the affordable units at 60% AMI?

T. Gillotti: It's at 80% AMI right now, but we're trying to lower it to 60% AMI.

D. Blanchard: There was talk about having a central office to take care managing the affordable units? Is there any provision or thought about that?

B. Lenart: As we have more funding available to work with, we can work towards that. As of right now, we don't have the capability to create a centralized office to manage this process.

Board discusses wording of the resolution to support B. Lenart's proposed updates.

Resolution reads as follows

The HHSAB endorses and accepts the concept and framework of the proposed updated zoning premiums in the presentation and document dated July 10, 2019.

HHSAB would further encourage the Planning Commission to consider two additions:

- 1- That any developers using the premiums are required to accept Housing Choice Vouchers
- 2- That the penalty for non-compliance be doubled.

**A. Foster moves, A. Erickson seconds.**

**Yays: A. Carlisle, A. Erickson, A. Foster, G. Pratt, J. Daniel, D. Blanchard, E. Pollack, Z. Ackerman, A. Bannister**

**Nays: none**

**Abstain: none**

**Absent: T. Jabzanka, P. Sher, F. Tsui, N. Wright, R.Sarri, J. Whinston**

2) Changes to PUD ordinance for clarification

T. Gillotti: We talked about this at the last meeting. We talked about the definition for affordability for low income households, and we want to change it to 60% AMI and set rent standard. The 2 recommendations are on last page. The rent standards are in the documents attached in the table, and that is updated yearly.

The recommended text change would be:

Housing units for households or individuals with income levels (including low and very low income levels) that are less than ~~80%~~ **60%** of City **Area** median income as defined by the United States Department of Housing and Urban Development where the occupant is paying no more than ~~30% of gross income~~ **the current published Fair Market Rents based on unit size** – for housing costs, including taxes and utilities

Resolution reads as follows

The HHSAB requests that the Planning Commission review the HHSAB recommended changes to the zoning ordinance definition around Affordable Housing for Lower Income Populations. The changes would put the definition more in line with other City policy around Affordable housing income thresholds and also provide clarity on corresponding rents.

**D. Blanchard moves, A. Foster seconds.**

**Yays: A. Carlisle, A. Erickson, A. Foster, G. Pratt, J. Daniel, D. Blanchard, E. Pollack, Z. Ackerman, A. Bannister**

**Nays: none**

**Abstain: none**

**Absent: T. Jabzanka, P. Sher, F. Tsui, N. Wright, R.Sarri, J. Whinston**

### 3) HHSAB feedback on Affordable Housing Definition

Board discusses affordable housing definition

M. Jenkins: Workforce housing can mean different things to different people. We should do our best to make sure the definition understandable across diverse perspectives. Workforce housing can also have a connotation of back of a house or even thought of as servant or even slave quarters.

D. Blanchard: I think it might be good to just keep at affordable because it creates conversation + can be rallied upon.

A. Foster: Should we table this conversation?

T. Gillotti: Yes, but please send me your thoughts and ideas.

B. Affordable housing projects going through the City's development process

#### 1) Washington Street and South University

B. Lenart: As indicated, 616 is proposing 8% of units as affordable for 900% FAR. Vick South is 133 units, 14 are affordable, 11% units, 816% for FAR.

#### 2) Updated list of public properties reviewed for affordable housing

T. Gillotti: The YLot engagement got approved on August 1, and community engagement will have discussions with the public in the fall. In the meantime, the city contracted with Carlisle Wortman to do zoning feasibility review for other city lots/spaces and ideas with how to use them.

B. Lenart: Carlisle Wortman will be going over spots and giving ideas for lots/spots, and what could be if there was rezoning.

#### C. HHSAB Workplan

M. Jenkins: I wanted to give a quick visual update about some of the items on our workplan. They can be seen in the red text.

D. Ann Arbor Affordable Housing Fund

M. Jenkins: The balance for the housing fund is \$581,707.00 after the deposit and encumbrances.

VI. City Council Member Update

A. Bannister: City Council approved the new Broadway Park development on the DTE lot with a fee in lieu for affordable housing. It have a 9 story hotel, luxury condos, and more. Also, the city settled on the Trinitas Development lawsuit, it will be a new 690 student dorm/housing on Pontiac Trail on Arrowwood. From an environmental standpoint, the council approved certification for the road commission for best practices around weed removal instead of using herbicides. The new police chief will be starting soon. The Center of the City Task Force members have been approved and they will be starting work soon.

Z. Ackerman: I like the diversity of age and expertise for the members of the Center of The City Task Force. There is also a variety of opinions in that group. City Council also released \$1.2 million dollars for Coordinated Funding.

VII. Public Comment

N/A

VIII. General Updates

D. Blanchard: Are we having an August meeting?

Board discusses availability.

T. Gillotti: We have quorum so yes.

A. Carlisle: We talked about voucher discrimination before and some updates. The Human Rights Commission addressed with city attorney office that the human rights ordinance has discriminatory language and they working on that.

IX. Adjournment

G. Pratt, chair, adjourned meeting at 8:30 pm.