



---

TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: Derek Delacourt, Community Services Area Administrator  
Joseph Giant, Economic Development Director  
Marti Praschan, CFO  
Mariah Walton, Deputy City Administrator

SUBJECT: December 1, 2025 Council Agenda Response Memo

DATE: December 1, 2025

---

**DS-1 – Resolution to Approve a Brownfield Plan for the Townie Homes Project at 1780 and 1788 Scio Church Road, 225 and 235 South Wagner Road, 1535, 1563, 1565 and 1567 South Maple Road, and 1288 and 1369 Jewett Avenue**

**Question #1:** Please confirm that the *total* number of proposed homes is 26, achieved by a mix of principal homes and ADUs. Please clarify how many homes are projected to be sold to households earning over 60-90% AMI and how many homes are projected to be sold to households from 30% AMI to 60% AMI. (Councilmember Disch)

**Response:** Yes, 26 homes total, with 13 primary homes and 13 accessory dwelling units (ADUs).

Ann Arbor Community Land Trust (“A2CLT”) has a goal to deliver 8 homes to households earning below 60% AMI. That target may shift based on construction pricing, interest rates, and the household sizes of eligible buyers when the homes are ready for sale.

However, the Brownfield Plan does contain specific constraints on affordability. The “Potential Development Loss” (PDL) calculation in the Brownfield Plan established a fixed TIF subsidy amount of \$2,660,075 to be reimbursed over the 30-year life of the Plan. Likewise, the proposed affordability ranges and maximum eligible household incomes are fixed once the Brownfield Plan is approved.

However, actual construction costs or other market factors at the time of development may require an adjusted sales price. Such adjustments are permissible as long as the final sales price remains affordable to an eligible buyer within the AMI ranges and maximum income levels specified in the Brownfield Plan in effect at the time of sale. The PDL calculation and AMI ranges are contained in Attachment L of the Brownfield Plan.

**Question #2:** Will supportive services be provided? (Councilmember Disch)

**Response:** No supportive services will be provided.

**Question #3:** Will A2 CLT work with OCED verify that the units are sold only to income-qualified homeowners at the restricted sales prices for the duration of the 30-year term of the deed restriction? (Councilmember Disch)

**Response:** Yes. The Washtenaw County Brownfield Redevelopment Authority, housed in OCED, is ultimately responsible to MSHDA to ensure that all the homes are sold and re-sold in compliance with maximum AMI levels as stated in the Brownfield Plan. A2CLT will enter into a Brownfield Reimbursement and Affordable Housing Agreement that will include all the necessary terms of oversight, compliance, and reimbursement of Tax Increment Revenues. The Authority will have to approve each sale and re-sale of homes. The Brownfield Plan includes a line item to fund this oversight responsibility for OCED.

**Question #4:** Will buyers of these homes be allowed to rent them to income-qualified renters? If so, how would rental contracts be monitored for conformity to the affordability terms of the Brownfield Agreement? (Councilmember Disch)

**Response:** No, A2CLT homes must be owner-occupied.

**Question #5:** What remedy would be available if one or more units were to be re-sold over the restricted sales price and/or sold or rented to households with incomes exceeding the income qualification limits? (Councilmember Disch)

**Response:** OCED is responsible for oversight and enforcement during the TIF reimbursement period. For the Brownfield Authority, the primary remedy in the event of non-compliance is the ability to withhold Tax Increment Reimbursement to A2CLT. The expectation is that the Brownfield Reimbursement and Affordability Agreement between A2CLT and the Authority are expected to include compliance provisions that explicitly authorize this remedy.

Separately, each property is anticipated to be governed by a deed restriction and condominium master deed that establish enforceable covenants limiting resale price, requiring income qualification, and mandating owner-occupancy. Because the restrictions are embedded in title and run with the land, any sale, rental, or refinance involving a title company should disclose the covenant requirements prior to closing.

Besides OCED's enforcement mechanism, the terms and remedies of A2CLT's deed restriction would govern if a violation occurs, such as a resale above the restricted price, a transfer to an over-income household, or an unauthorized rental. Those terms and remedies may include a preemptive purchase option or right require a resale to an income-eligible buyer at the restricted price, and possibly the recovery of any excess proceeds. According to A2CLT, these tools are standard in community land trust practice.

**Question #6:** The staff report states that the Developer plans to exceed 30 years affordability by keeping the homes permanently within the CLT. Will a term of affordability beyond the 30-year deed restriction in the Brownfield Plan be *legally* enforceable by the City or County? (Councilmember Disch)

**Response:** A2CLT will be the long-term steward that monitors eligibility, enforces resale formulas, and preserves permanent affordability beyond the 30-year term. The City will not be involved in enforcement and staff does not have any information suggesting the County will be involved beyond the 30-year term.

**Question #7:** How likely are these homes to continue to be sold to income-qualified buyers at affordable terms beyond the 30-year deed restriction if A2 CLT goes out of existence? (Councilmember Disch)

**Response:** This will depend on the terms and continued enforcement of the A2CLT deed restriction by A2CLT or a successor entity. A2CLT has informed staff that their deed restriction is written with a 99-year renewable affordability term and the right of first refusal for all sales (buy-back provision) and that A2CLT homes will also be condominiums, with a master deed that includes the affordability restrictions.

A2CLT has informed staff that their ground leases and/or deed restrictions will be drafted with explicit "successor steward" language, so that if A2CLT winds down, its land, ground leases, and enforcement rights are assigned to another affordable-housing nonprofit or other appropriate entity. According to A2CLT, this is consistent with national community land trust best practice, where 99-year ground leases and recorded covenants preserve resale formulas and income qualifications in favor of the land trust "or its successors and assigns," rather than any particular corporate entity.

**Question #8:** Would the usual terms of the housing brownfield TIF require 4 units (15% of 26) to be affordable at 60% AMI for 99 years? (Councilmember Disch)

**Response:** If strictly applied, yes, the City's Brownfield Policy would require that 15% of the units be affordable to households at 60% AMI. However, as noted elsewhere, staff believes that a waiver is warranted since all of the units are below market rate.

**Question #9:** If the term of affordability under this agreement will be enforceable by deed restriction for 30 years only (although a longer term is promised), and 30 years falls just under 1/3 of the 99-year affordability term required for TIF financing, why does the

proposed agreement not *require* that 12 units (3x the required number for 1/3 the usual term) to be reserved for households earning 60% AMI or under? (Councilmember Disch)

**Response:** Compliance with the City's Brownfield Policy would be challenging given the substantial subsidy required to produce homes affordable at 60% AMI. This Brownfield Plan is the City's first to use the new MSHDA Housing TIF option, which was added to Act 381 in 2023. The City's current Brownfield Policy, adopted in 2019, does not address this new tool.

In collaboration with the Brownfield Authority, a review of multiple draft financial models for projects considering the MSHDA Housing TIF option makes clear that achieving 60% AMI affordability requires a level of subsidy that often exceeds the tax increment revenue available, even over a 30-year reimbursement period. As a result, higher AMI targets will likely be necessary than those contained in the City's Brownfield Policy. The MSHDA program allows affordability levels up to a maximum of 120% AMI.

**Question #10:** If the MEDC is not involved in this project, then would solar panels and other sustainability improvements be allowable expenses if sufficient TIF were generated? (Councilmember Disch)

**Response:** Yes.

**Question #11:** The Brownfield Plan states that "These homes will be highly energy-efficient and electric-only when possible." Should this be interpreted to state that there is no legally enforceable commitment to energy efficiency and electrification? (Councilmember Disch)

**Response:** There are no energy efficiency or electricity requirements as part of this Brownfield Plan. A2CLT reports costs of an additional \$40,000-\$60,000 per home for all-electric construction, which conflicts with the program's affordability goals. The expiration of federal tax credits for energy efficient homes and uncertainty around other federal programs aimed at sustainability further challenges this goal.