

Attachment A

Affordable Housing Millage Guidelines

The intent of the affordable housing millage is to increase the number of units that are affordable and sustainable to provide long-term housing security for households earning zero income to 60% of Area Median Income (“AMI”).

If the millage is approved, the City’s annual budget process will include a millage budget for City Council approval for 1 mil for affordable housing development and related supportive services for residents of millage-developed housing, including the following uses and priorities:

1. Development of affordable housing that includes housing units that are restricted to households from zero income to 60% of Area Median Income
 - a. The City will utilize HUD’s annually published family income limits to determine the Area Median Income of households.
2. Housing unordered priorities include:
 - a. Housing for people experiencing homelessness
 - b. Housing for people with special needs, including but not limited to:
 - i. Seniors
 - ii. People with disabilities
 - iii. Youth aging out of foster care
 - c. Housing for persons in households earning less than 60% AMI
3. “Development” as used in these Guidelines includes both hard and soft costs related to:
 - a. New construction
 - b. Acquisition of land
 - c. Acquisition of existing buildings
 - d. Capital improvements, including but not limited to:
 - i. Infrastructure
 - ii. Utilities
 - iii. Building renovations
 - e. Demolition
4. Sustainability priorities include, but are not limited to:
 - a. Energy efficiency
 - b. Green construction materials, products and techniques
 - c. Net Zero energy consumption
5. Up to 20% of the millage revenue may be used for supportive services to increase housing stability of residents of millage-developed housing, including but not limited to:
 - a. Mental health services
 - b. Physical health services
 - c. Financial services, job skills, and employment

- d. Daily living skills
 - e. Crisis management and conflict resolution
 - f. Youth programming
- 6. The City prioritizes projects that will have permanent affordability commitments, which is achievable through:
 - a. Development of publicly owned properties
 - b. Public ownership through the Ann Arbor Housing Commission and its affiliated non-profit development entities
 - c. Mission-driven non-profits committed to permanent affordability restrictions
 - d. Cooperative housing or other housing ownership models with permanent affordability restrictions
- 7. To achieve socio-economic diversity throughout the City
 - a. Development can be 100% affordable units or mixed-income with a portion of the units as market-rate that are not subsidized by the millage, for the purpose of maximizing aggregate number of millage-developed units of affordable housing.
 - b. Development can range from small group homes to apartment complexes
 - c. The City supports the inclusion of affordable housing in all neighborhoods and City Council Wards
- 8. To maximize the leverage of other public and private funding sources for affordable housing, the City's rent restrictions will align with the rent restrictions of other leveraged funds, such as HUD funding and Low-Income Housing Tax Credits

Sponsored by: Mayor Taylor and Councilmembers Nelson, Smith, Ramlawi and Griswold

As Amended and Approved by Ann Arbor City Council on July 27, 2020