



## Legislation Text

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**File #:** 16-0463, **Version:** 1

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Resolution to Grant \$50,000.00 from the Ann Arbor Affordable Housing Fund to Avalon Housing to Support the Acquisition and Rehabilitation of 815, 821 Gott Street

Avalon Housing is requesting \$50,000 for the acquisition and rehabilitation of 815, 821 Gott Street. These two adjacent structures each have three-units, providing six new affordable units (one efficiency, four one-bedrooms, and one two-bedroom unit) in the City of Ann Arbor.

Avalon is planning to combine Ann Arbor Affordable Housing Funds with local HUD HOME Funds, Federal Home Loan Bank Affordable Housing Program Funds, and private debt to support this project. The total project is anticipated at \$1,005,515 or \$167,000 per unit. The proposed \$50,000 would comprise approximately 5% of this budget at a rate of \$8,333 in Ann Arbor Affordable Housing Funds per unit.

Avalon intends to target 2 of the units for households at or below 30% Area Median Income (AMI) (\$17,750 for an individual) and the remaining units will be targeted to households at or below 50% AMI (\$29,550 for an individual). While other funds may require different periods of affordability, a minimum period of 15 years is recommended for the Ann Arbor Affordable Housing Fund investment. Avalon has always and will continue to accept households with housing choice vouchers for units. Additionally, Avalon provides extensive supportive services to all residents.

The addition of additional affordable housing units is recommended in the adopted Housing Affordability and Economic Equity Analysis of 2015, the City's Master Plan, and Sustainability Framework. Support of this development is consistent with the goals articulated in these plans.

The Housing and Human Services Advisory Board reviewed the proposed application for funds and recommends that the City Council approve the project award of \$50,000 to Avalon Housing, with the condition that the project is successful in receipt of HUD HOME funds through the Urban County.

Prepared by: Brett Lenart, Interim Director, Office of Community and Economic Development

Reviewed by: Derek Delacourt, Community Services Area Administrator

Whereas, Avalon Housing is seeking to add to the inventory of affordable housing in the City of Ann Arbor through the purchase and rehabilitation of 815 and 821 Gott Street;

Whereas, Avalon is requesting \$50,000 from the Ann Arbor Affordable Housing Fund (AAAHF) to support this development;

Whereas, Avalon Housing has over 20 years of experience in successfully developing and operating affordable housing in the City; and

Whereas, On March 10, 2016 the Housing and Human Services Advisory Board recommended approval of a grant to Avalon Housing of \$50,000 for the acquisition and rehabilitation of 815 and 821 Gott Street subject to the successful receipt of HUD HOME funds in support of the project;

RESOLVED, That the Mayor and City Council approve the grant of up to \$50,000 from the Ann Arbor Affordable Housing Fund to Avalon Housing Inc., or an affiliated entity, to be available for expenditure without regard to fiscal year;

RESOLVED, That the grant is contingent upon receipt of HUD HOME funds in support of the project;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign a grant agreement and any other documents necessary to implement the grant to Avalon Housing, Inc. or an affiliated entity consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator, or his designee, be authorized to take any necessary administrative actions and to execute any documents necessary to complete this transaction and to implement this resolution regardless of fiscal year.