City of Ann Arbor

Legislation Details (With Text)

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Type:	Ordinance		**Status:**	Passed
File created:	4/20/2020		**In control:**	City Council
On agenda:	5/4/2020		**Final action:**	5/4/2020
Enactment date:	4/20/2020		**Enactment #:**	ORD-20-13
Title:	An Ordinance to Amend Section 1:156 of Chapter 7 (Downtown Development Authority) of Title I of the Code of the City of Ann Arbor (Ordinance No. ORD-20-13)			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	1. ORD-20-13 DDA Ordinance Briefed and Approved.pdf, 2. ORD-20-13 DDA Ordinance Briefed.pdf, 3. DDA Ordinance Amendment.pdf, 4. ORD-20-13 DDA Ordinance Approval Notice.pdf, 5. WLN clipping DDA Ordinance - Public Hearing Notice.pdf			

Date	Ver.	Action By	Action	Result
5/4/2020	1	City Council	Held and Closed	
5/4/2020	1	City Council	Adopted on Second Reading	Pass
4/20/2020	1	City Council	Approved on First Reading	Pass

An Ordinance to Amend Section 1:156 of Chapter 7 (Downtown Development Authority) of Title I of the Code of the City of Ann Arbor (Ordinance No. ORD-20-13)

The purpose of the proposed code amendment to Section 1:156 is to align the unit income target goals of the DDA Housing Fund with the City of Ann Arbor's Affordable Housing goals as 60% of Area Median Income (AMI) and to clarify that the DDA Housing Fund can be used for plans, studies and processes that support the development of affordable in the downtown that includes 60% AMI households within a range of incomes.

On April 1, 2019, Ann Arbor City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the Ann Arbor Housing Commission (AAHC) to provide coordinated analysis on the feasibility of city-owned properties as potential locations for affordable housing. R-19-138 incorporated previous resolutions R-19-110, R-19-111, and R-19-116.

The Ann Arbor Housing Commission led the analysis along with support from a staff team and several contractors to determine the feasibility for 11 sites including review of land use and zoning, environmental conditions, financial resources, site-specific costs, and overall risk among other factors. The analysis, three potential portfolio scenarios, and next step recommendations were presented to City Council at the Nov.18, 2019 City Council meeting.

City Council approved the following resolutions at the November 18, 2019 meeting to give direction to staff on the next steps for each of these sites:
        R-19-514 to develop 121 E Catherine
        R-19-515 to develop 404 N Ashley

R-19-516 to develop 2000 S. Industrial
R-19-517 to conduct community engagement for the parking lots on Ashley/William and First/William
R-19-518 to conduct community engagement for 721 N Main
R-19-519 to conduct community engagement for 3432-3440 Platt and 3435-3443 Springbrook
R-19-520 to hire an architect to conduct further study of 1510 E. Stadium
R-19-521 adding 353 S. Main to the feasibility analysis

A feasibility analysis was conducted for 353 S. Main and the site is highly recommended for affordable housing. See companion resolution R-0434.

Through the community engagement process for 415 W Washington and 350 S 5th Avenue, staff heard from the community that they wanted the City to add 121 E Catherine to the community engagement process, and they wanted a parking study and housing market study added to the engagement process.

Staff are recommending that the SmithGroup continue the community engagement process for the following downtown properties: 353 S Main, 121 E Catherine, 721 N Main, and the parking lots on the corner of Ashley/William and First/William.

In addition, staff are recommending that a downtown parking study be conducted that analyzes existing parking supply, utilization, and availability. The study will include a focused analysis on high demand parking times and will analyze a variety of creative solutions to address peak demand. Staff are also recommending that a downtown housing market study be conducted that analyzes the current supply and occupants and projected future demand based on household income and household sizes.

Staff have requested grant funding from the DDA to continue the community engagement process on these properties as well as to conduct a downtown parking study and a downtown housing market analysis. The DDA met on March 4, 2020 and approved $200,000 to support community engagement ($125,000), a downtown parking study ($55,000), and a downtown housing market analysis ($20,000) contingent upon changes to the DDA's ordinance to enable the DDA to provide funding for this purpose with its Housing Funds.

The current City ordinance regarding the DDA specifically targets development of housing for households at 50% of Area Median Income (AMI). The Washtenaw County Affordable Housing Needs Assessment set goals for the development of affordable housing for households at 60% AMI. City Council's resolution to redevelop city-owned properties as affordable housing is targeted to 60% AMI. And, the City's zoning ordinance definition of affordable housing was recently changed to 60% AMI.

Staff are recommending that the DDA ordinance related to Housing Funds be amended to target the development of housing affordable to households at 60% AMI instead of 50% AMI to be consistent with other City ordinances and policies related to affordable housing. The revision would allow the DDA to provide funding for a housing market study that includes 60% AMI households.

Staff are also recommending that the DDA ordinance related to Housing Funds be amended to ensure that the DDA can provide funding for plans, studies, and processes that support the development of affordable housing in the downtown that includes 60% AMI households but can

include a range of housing options based on the nature of the study.
Prepared by: Jennifer Hall, Executive Director Ann Arbor Housing Commission
Reviewed by: Susan Pollay, Executive Director Downtown Development Authority
                             Tom Crawford, Acting City Administrator

 ..Body
(See Attached Ordinance)