Legislation Details (With Text)

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File created:	6/7/2021			**In control:**	City Council
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Title: Resolution to Appropriate $1,100,000.00 from the Affordable Housing Millage to Avalon Housing Inc., or an Affiliated Entity for its Project, The Grove at Veridian at 2270 Platt Road, Without Regard to Fiscal Year ($1,100,000) (8 Votes Required)

Sponsors:

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Date	Ver.	Action By	Action	Result
6/7/2021	1	City Council	Approved	Pass

Resolution to Appropriate $1,100,000.00 from the Affordable Housing Millage to Avalon Housing Inc., or an Affiliated Entity for its Project, The Grove at Veridian at 2270 Platt Road, Without Regard to Fiscal Year ($1,100,000) **(8 Votes Required)**
Avalon Housing, Inc. is seeking a $1,100,000.00 grant from the affordable housing millage to construct fifty (50) affordable apartments and a community center on a 4.7 acre parcel at 2270 Platt Road in Ann Arbor for a project called “The Grove at Veridian”. Avalon will also be requesting millage funds to provide supportive services after the project is developed and occupied. Thirty (30) apartments will be set aside for supportive housing.

In December 2016, Thrive Collaborative and Avalon Housing responded to a request for proposals by Washtenaw County to develop the 13.59-acre parcel of County-owned land located at 2270 Platt Road in Ann Arbor. This proposal was selected by the County. Avalon and Thrive Collaborative have each entered into purchase agreements with the County. Each will serve as developer of their respective site. Avalon will develop 50 affordable apartments on its 4.7-acre site. Thrive will develop approximately 100 units of market rate housing on its 8.89-acre site. Avalon and Thrive have worked together toward achieving a cohesive site design and exterior architectural appearance. On October 19, 2020 (ORD 20-28) City Council approved a Planned Unit Development re-zoning for all 13.59 acres and also approved two separate site plans-(R-20-410) for the Avalon site and (R-20-409) for the Thrive site. The separate site plans will ensure the Avalon site can be developed according to its own financing timelines, independent of any Thrive development timeline.

As this is an anticipated tax credit development, Avalon created an affiliated entity to act as the general partner for the legal entity called The Grove at Veridian Limited Dividend Housing Association, Limited Partnership, that will develop and own the project. Avalon Housing Inc. will be the property manager and primary service provider.

The Avalon site includes fifty (50) townhouses and stacked flat units including fourteen (14) one-

bedroom units, ten (10) two-bedroom units, twenty (20) three-bedroom units, and six (6) four-bedroom units.

Twenty (20) units will be set-aside for households at or below 60% of area median income. Thirty (30) units will be supportive housing for households who have incomes below 30% of area median income. Referrals for the supportive housing units will come directly from the County-wide centralized waitlist for homeless households, Housing Access of Washtenaw County (HAWC). Referrals for ten of the supportive housing units will be reserved for youth experiencing homelessness and Ozone will be providing supportive services.

Supportive housing services are grounded in a housing first philosophy, and focus on maintaining housing stability as well as enhancing tenants' quality of life. Eviction prevention efforts for high-risk tenants are prioritized and coordinated with property managers.

The supportive housing services are voluntary, highly individualized and flexible based on tenant need. Services include outreach and engagement, referral and advocacy, community building, and a range of direct supports designed to address tenant behaviors that may threaten their housing. Common services provided include support for mental health management, relapse prevention, independent living skills, advocacy around benefits and health care, conflict resolution, and assistance with basic needs such as food. Support services for The Grove at Veridian tenants are not time limited and will vary in frequency and intensity as needed throughout their tenancy.

Avalon will be assessing housing risk, referring tenants to services, ensuring tenant targeting commitments are met initially and maintained at turnover through tenant selection, coordinating plans and services with partner agencies, and reviewing and evaluating program outcomes and reports. Avalon will focus on helping tenants stabilize their households, increase financial and social independence and effectively manage their disabilities or special needs.

The Grove at Veridian's community center will provide a range of programs and activities designed to help tenants build skills, develop tenant organizations, foster peer support and connect with volunteers and community services. Tenants will be able to access computers, internet, phones and faxing services in the center as well.

In furtherance of green development objectives, Avalon has committed to not having any combustion equipment on-site. The all-electric site creates the possibility of transitioning to renewable energy sources in the future. Avalon is also seeking Net Zero Energy Certification for our Community Center and will be seeking Enterprise Green Certification for Avalon's overall development.

Financing for this project leverages multiple sources. Total development costs are projected at approximately $17,460,000. Of this, $13,498,650 has been applied for under Low-Income Housing Tax Credits. LIHTC award announcements are expected in May 2021. $750,000 has been awarded from Washtenaw County HOME funds. Another $725,000 funding request for Washtenaw County HOME funds is pending, with a decision anticipated in May 2021. The project has preliminary approval from Old National Bank for a conventional loan of $1,100,000. This request for City Millage funds is for $1,100,000. The remaining sources are from deferred developer fee.

Avalon is also requesting that supportive housing funds be available for the development once The Grove at Veridian is operational. Avalon anticipates making a separate annual service funding

request of approximately $310,000 starting in FY24.

Prepared By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission
Reviewed By: Tom Crawford, City Administrator
Whereas, Avalon Housing, Inc. is seeking a $1,100,000.00 grant from the affordable housing millage, for a $17,460,000 budget to construct fifty (50) affordable apartments and a community center on a 4.7 acre parcel at 2270 Platt Road in Ann Arbor for a project called The Grove at Veridian;

Whereas, The project will create high quality, sustainable affordable apartments for low-income households, including 30 supportive housing units set-aside for extremely low-income households; and

Whereas, Avalon will be requesting an annual allocation from the Affordable Housing Millage of approximately $310,000 for supportive services to residents of The Grove at Veridian starting in FY24;

RESOLVED, That City Council appropriate a $1,100,000 grant from the FY22 budget from the Affordable Housing Millage to Avalon Housing, Inc. or an affiliated entity for The Grove at Veridian at 2270 Platt Road, with funds available until expended without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign a Grant Agreement 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 the necessary administrative actions and to execute any documents necessary to complete this transaction and to implement the resolution.