



Legislation Text

File #: 19-2125, **Version:** 2

Resolution to Direct the Ann Arbor Housing Commission to Develop 121 E. Catherine as Affordable Housing

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. This resolution incorporated previous resolutions R-19-110, R-19-111 and R-19-116.

Jennifer Hall, Executive Director of 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.

Through the analysis, two properties are best suited for immediate action for affordable housing development: 121 E. Catherine and 404 N. Ashley. Both properties are free of negative site issues that would impede affordable housing development, both score competitively for Low-Income Housing Tax Credits and other federal and state funds for affordable housing. Both sites are also in the DDA district, and are eligible to receive financial support from the DDA. If tax credits are secured for both sites, the sites could be developed with very little local financial support compared to the other sites. It's estimated that together both sites could yield between 120-170 units of affordable housing for households up to an average of 60% of the Area Median Income (AMI).

The staff team is requesting that City Council direct the Ann Arbor Housing Commission to proceed with development of these two sites as affordable housing for households up to an average of 60% of the Area Median Income (AMI) with an underlying ground lease.

Note: This resolution was split by City Council on November 18, 2019 to consider 404 N. Ashley separately.

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Reviewed by: Jennifer Hall, Executive Director Ann Arbor Housing Commission
Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, 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; and

Whereas, The extensive analysis was completed and presented to City Council on November 18, 2019; and

Whereas, The analysis found that two properties are well suited for affordable housing development

due to minimal site issues, excellent potential to receive Low-Income Housing Tax Credit financing, and DDA support for affordable housing;

RESOLVED, That City Council direct the Ann Arbor Housing Commission to pursue affordable housing development of 121 E. Catherine as the developer utilizing a ground lease, for approximately 60-85 units for households up to an average of 60% of the Area Median Income (AMI);

RESOLVED, That the direction includes conducting applicable due diligence such as environmental reviews, surveys, and other site investigation items; hire a co-developer to work with an architectural firm and engineering firm to design a project for site plan approval, submit an application for Low Income Housing Tax Credits and other related affordable housing financing;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign related documentation to support the Ann Arbor Housing Commission's application for Low-Income Housing Tax Credits and other federal, state or local funding for development of affordable housing on 121 E Catherine; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.