



Legislation Text

File #: 20-1336, **Version:** 1

Resolution to Approve the City of Ann Arbor Affordable Housing Agreement for 1140 Broadway with Morningside Maiden Lane, LLC and Morningside Broadway, LLC

Attached is a resolution to approve the City of Ann Arbor Affordable Housing Agreement for 1140 Broadway. The developer agreed to provide 15 units of affordable housing in the development in association with the City's support and the County's approval of the Brownfield Plan for the site. The development was approved as the 1140 Broadway Planned Project Site Plan ("Development"), and is currently being marketed as Beekman on Broadway.

The Agreement has been drafted to implement the requirements for the affordable dwelling units on-site as provided in the Washtenaw County Brownfield Redevelopment Authority Reimbursement Agreement between the County and Morningside Lowertown, LLC, which is the predecessor in interest to Morningside Broadway, LLC and Morningside Maiden Lane ("Developer"). The Brownfield Agreement required that:

- Eight affordable housing units are required in Phase I of the Development which is currently under construction.
- Seven affordable housing units are required in Phase III of the Development.
- The affordable housing units will be available to households earning up to 60% of AMI for 99 years using HUD Fair Market Rents.
- The affordable housing units shall be of the same size, appearance and finishes as comparable market-rate units.

The Agreement requires that the affordable housing be offered to those on the Ann Arbor Affordable Housing Waitlist which was recently initiated by the OCED. Prospective tenants will be certified as income-qualified by the OCED prior to the Developer leasing an affordable housing unit. The Developer will be required to provide annual reports to the City regarding compliance with the Agreement.

Prepared by: Kevin S. McDonald, Deputy City Attorney

Teresa Gillotti, Director Office of Community and Economic Development

Reviewed by: Stephen K. Postema, City Attorney

Derek Delacourt, Community Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, City Council approved the 1140 Broadway Conditional Zoning and Planned Project Site Plan (the "Development") on December 4, 2017, and the Conditional Zoning was amended on September 4, 2018;

Whereas, City Council approved Resolution R-17-449 which accepted the 1140 Broadway Brownfield Plan ("Brownfield Plan") and recommended that the Washtenaw County Brownfield Authority approve the Brownfield Plan, and the Authority approved the Brownfield Plan on December 6, 2017; and

Whereas, In the Brownfield Plan, Morningside Lower Town, LLC, the predecessor in interest to

Morningside Broadway, LLC and Morningside Maiden Lane, LLC agreed to provide 15 affordable dwelling units in the Development in consideration of Brownfield Tax Increment Financing support for the project (\$5,204,760 reimbursement for the Michigan Strategic Fund eligible, non environmental activity), as detailed in the Washtenaw County Brownfield Redevelopment Authority Reimbursement Agreement, dated May 11, 2018, which required that the Developer and City enter into an agreement regarding the affordable dwelling units;

RESOLVED, That City Council approve the City of Ann Arbor Affordable Housing Agreement for 1140 Broadway, substantially in the form attached;

RESOLVED, That City Council authorize the Mayor and City Clerk to sign the City of Ann Arbor Affordable Housing Agreement for 1140 Broadway after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator or designee is authorized to take all necessary actions to implement this Resolution, including execution of any supplemental documents.