

## **Resolution of Support for the Sale of the Library Lane Lot**

The Ann Arbor Housing Commission Board of Commissioners strongly supports the sale of the Library Lane Lot with the specific goal of providing seed money for new affordable housing developments serving the lowest income households in the community. A \$5 million contribution to the Ann Arbor Housing Trust Fund will enable developers of affordable housing to take advantage of opportunities to leverage at least \$75 million to develop a minimum of 300 rent and income-restricted apartments.

To put that in context, the Ann Arbor Housing Commission currently owns 381 apartments in Ann Arbor and Avalon owns just under 300 apartments. When the AAHC opened its waitlist in 2012, there were over 3,600 applications from Washtenaw County residents and 900 of those applicants were disabled. 1,071 applicants were living in the City of Ann Arbor. The development of 300 new affordable apartments would make a huge impact for the City's lowest income, disabled, elderly and veteran households.

The cost of developing a single apartment can cost \$150,000 - \$300,000. The City of Ann Arbor's Housing Trust Fund was never intended to pay for the entire cost of building an apartment. However, every \$1 in the AAHTF has historically leveraged an average of \$25 from other sources. These funds provide critical matching funds to fill the gaps not covered by other funding sources to make the projects feasible.

The Housing Commission and Avalon Housing planning projects that these funds would be critical to ensure that these projects are successfully developed. The City and County also own properties that can be developed into affordable housing. Affordable housing projects can also be developed on privately-owned property but it is harder to plan for acquiring properties that are not yet on the market.

Below is a realistic scenario of how these funds could be used:

- 1) \$600,000. The AAHC is developing an \$18,000,000 64-unit project known as Swift Lane, which includes the demolition of 32 apartments and the new construction of 64 apartments.
- 2) \$700,000 to leverage \$17,000,000 for Avalon's 70-unit new construction project known as Hickory Way.
- 3) \$500,000 to leverage \$3,000,000 for Avalon to acquire and renovate a 20-unit property
- 4) \$1,500,000 to leverage \$16,000,000 for the development of a 70-unit senior affordable housing project at the city-owned property at 404 N. Ashley.
- 5) \$1,000,000 to leverage the development of a mixed-income, mixed-use project on the City-owned Kline's lot that includes 60 apartments for households at 60% AMI or less. Total development costs are dependent on the final project.
- 6) \$700,000 to leverage the development of 50-units of housing for households at 50% AMI or less on the County-owned Platt Road property. Total development costs are dependent on the final project.

If the City had not contributed the proceeds from the sale of the Y-lot to the Ann Arbor Housing Trust Fund, the Ann Arbor Housing Commission would not have been able to redevelop the City's public housing properties. Most of these properties would end up being demolished in the next 10 years without the following capital investments:

- 1) \$730,000 in AAHTF leveraged \$12,800,000, which enabled the Housing Commission to demolish 19 apartments, renovate 4 apartments and construct 42 apartments at West Arbor (formerly N. Maple Estates) and house 22 homeless families.
- 2) \$200,000 in AAHTF leveraged \$16,400,000, which enabled the Housing Commission to renovate 131 apartments at Miller Manor and Maple Meadows, redesign Miller Manor to provide 24/7 on-site services, add 3 apartments, and house over 60 chronically homeless families, with 15 apartments reserved for homeless veterans.
- 3) \$600,000 in AAHTF leveraged \$15,300,000 in other funds, which enabled the Housing Commission to renovate 116 apartments at Baker Commons, Hikone and Green- Baxter Court and house 16 homeless families.

The Ann Arbor Housing Trust Fund was created to grow the number of rent and income-restricted housing in the City of Ann Arbor for households at 60% AMI or less, with a priority for housing for families at 30% AMI or less because these families are the most vulnerable to becoming homeless. Numerous studies have proven that subsidized housing is the most effective way to prevent homelessness, which reduces the cost of providing emergency health care, emergency shelters, special educational services, and law enforcement services in the community.

RESOLVED that the Ann Arbor Housing Commission Board believes that public resources are needed to increase the supply of rent and income-restricted housing to families at 60% AMI or less, and the AAHC Board strongly believes that public resources from the sale of publicly owned land should be allocated to the Ann Arbor Housing Trust Fund to provide housing for these families; and

RESOLVED that the Ann Arbor Housing Commission Board supports the sale of the Library Lane lot and the sales proceeds to be allocated to the Ann Arbor Housing Trust Fund; and

RESOLVED that the Ann Arbor Housing Commission Board supports and encourages the Mayor, City Council and City Administration to explore additional public strategies to increase the supply of rent and income-restricted housing.