

PARTNERSHIPS & ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES
Wednesday, February 12, 2020

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104

Time: 11:00 a.m.

Present: Micah Bartelme, Alexandra Dieck, Tyler Kinley, Howard Lazarus, Jessica A.S. Letaw, Darren McKinnon, Rishi Narayan, Keith Orr

Other: Jennifer Hall/AAHC, Jan Culbertson/2030 District, Marie Klopff/DDA (phone)

Absent: Molly McFarland, Phil Weiss

Staff: Susan Pollay, Maura Thomson, Jada Hahlbrock, Amber Miller, Sara McCallum, Kelley Graves

Public: David Diephuis, J. Bruce Fields, Jeff Crockett, John Kotarski, Peter Honeyman, Kirk Westphal, Joan Lowenstein, Adam Oxner, Jane Lumm

2030 District Coalition: Ms. Culbertson provided an overview of their origin, mission and initiatives. It is a volunteer organization, and they have support from ECO and DTE to fund programs and free energy audits. The Coalition's uses best practices and benchmarking to enable building owners, stakeholders and community organizations to reduce their energy and water usage. Members joining the Coalition can receive a free energy audit (\$2,000 value) for buildings up to 14,000 sf that are within the City limits.

Affordable Housing/Downtown City Properties: Ms. Hall said the need for affordable housing has grown dramatically. The Housing Commission was tasked with undertaking a feasibility analysis of developing City-owned properties, including many downtown parking lots. Ms. Hall emphasized the importance of finding solutions that involve both affordable housing and parking. SmithGroup was hired by the City as its consultant to conduct community engagement sessions and compile the analysis. Much input was received in recent meetings about 415 W. Washington and the Old Y-Lot. The 415 W. Washington site could have affordable housing but it would need to come as part of a mixed income private development. The 350 S. Fifth Avenue (old Y-Lot) site has no negative site issues and is eligible for LIHTC which may cover 60% of its construction costs. The site is big, so a quantity of market rate housing and ground floor retail may also be included.

Next steps for these sites is a community meeting on Tuesday, February 25th from 6-8 pm at the DDA office to get further feedback from the community about proposed development schemes, doing more due diligence on both sites, obtaining feedback from development community about the strategies under consideration, and then presenting designs to Council for pre-entitlement approval. For the remaining downtown properties, SmithGroup would repeat its efforts to engage with the community. And because many of the sites under consideration are parking lots Smith Group would conduct a downtown parking study to understand potential impacts.

Ms. Pollay asked Ms. Hall's thoughts about the DDA serving as an affordable housing developer; Ms. Hall said there are complicated processes and requirements to follow which takes specialized

expertise and experience. She recommended instead that DDA would be most impactful installing infrastructure in support of these projects and providing funding support.

Mr. McKinnon recommended that these projects be developed without using federal dollars. Ms. Hall stated she shared his interest in not relying on federal dollars as it would make things less complicated, but it may require the City pursuing other strategies such as an affordable housing millage.

A draft resolution was shared with the committee, outlining the Housing Commission's request for DDA funding. Questions were asked and answered, and the revised resolution will be presented to the DDA board at its March meeting.

Public Comment: Mr. Diephuis asked how the affordable housing projects fit in with carbon neutrality goals. Ms. Hall responded it is a balance between scoring higher for federal funding by incorporating energy efficiency elements versus getting scored lower for increasing the project's development costs.

Mr. Fields asked about other entity's involvement in the affordable housing initiatives. Ms. Hall responded that Washtenaw County and UM are interested in being involved and will be looking for a successful outcome on the Housing Commission's current efforts to make their move into the affordable housing development arena.

The next Partnerships meeting is scheduled for Wednesday, March 11 at 9:00 am with the partners.

The meeting adjourned at 12:55 pm

Respectfully submitted,
Susan Pollay, Executive Director