

AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES
Wednesday, August 12, 2020

Place: Virtual Meeting-Zoom link: <https://us02web.zoom.us/j/86436900205> or by phone 1-877-853-5257 (Meeting ID: 864 3690 0205 Password: 950746)

Time: 9:00 a.m.

Committee Present: Micah Bartelme, Tyler Kinley, Darren McKinnon

Committee Absent: Bob Guenzel

Other DDA Present: Alex Dieck, Jessica A.S. Letaw

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

Others: Jennifer Hall/AAHC

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Affordable Housing: Ms. Hall said a feasibility analysis of 12 City properties is on the AAHC website. <https://www.a2gov.org/departments/Housing/Pages/Analysis-of-City-Owned-Properties-as-Affordable-Housing.aspx> . Smith Group has led several meetings with the public to get input into how City-owned sites might be developed to include affordable housing. Of the sites, the most progress has been made with the former Y-Lot. City Council voted to authorize the creation of an entitlement plan for the site. The conceptual design is being refined and functional details are being worked out. Questions were asked and answered. Ms. Hall noted that discussions have included if/how to integrate the AAATA/TheRide bus staging on the first floor. Ms. Hall said optimally the project site plan may be ready for consideration by City Council in February 2021.

Planning for 415 W. Washington is also progressing. The location has multiple challenges including the Treeline, preserving the Chimney Swift habitat, Washington St traffic issues, and the floodway & floodplain. Brownfield financing with a private developer would be the most likely funding sources for this site, and it may or may not be financially feasible to include affordable housing units. Questions were asked and answered. Council authorized creating a pre-entitlement plan for this site, but it isn't clear where the funding for planning would come from. Ms. Hall noted that this site would not qualify for millage funds if approved, as the ballot language excludes sites in flood ways/floodplains.

The next batch of City-owned sites to undergo community engagement will be 353 S. Main (Palio lot), Ashley & William (Kline lot) with 1st & William, 4th & Catherine, and 721 N. Main. 4th & Catherine would be an ideal location for affordable housing, but there is stakeholder opposition to losing this surface parking lot. The 353 S. Main St location would also be ideal for affordable housing; an early estimate is 25-40 units could be built on this site. There was discussion about whether or not first floor commercial should be included in a future project. In addition to downtown locations, two other sites being looked at are Fire Station #2 on Stadium and the AAHC site on S. Industrial.

Affordable Housing Millage: Ms. Hall reported Council unanimously approved placing an affordable housing millage on the November ballot; it would be 1 mill for 20 years. Approval of the millage would have a positive financial impact on the planning for City-owned sites.

Lurie Terrace: Ms. Hall said AAHC and the City are working to purchase Lurie Terrace. The property would be operated by the AAAHC, a non-profit 501C organization under the AAHC. The property has 136 apartments which provides much-needed below market-rate rental housing for households aged 62 years or older. Ms. Hall said 40% of the units would be reserved for households up to 60% of the Area Median Income, and 60% reserved for households up to 80% AMI, and all existing over-income tenants will be grandfathered in. Questions were asked and answered. The purchase price is \$4,050,000, total project costs including the purchase are \$5,336,400. AAAHC will apply for a HUD-insured 223(f) loan for the maximum amount supported by the current rents, which is estimated to be \$4,017,400. The FY21 City budget includes \$319,000 for the purchase, and \$31,950 was provided by the A2 Area Community Foundation for pre-development due diligence. DDA is being asked for a grant for up to \$1M to cover the balance of funding, with the actual DDA grant amount dependent on the interest rate that gets locked in at the time that HUD approves the loan. Several questions were asked and answered.

Ms. Pollay noted that in November 2018 the DDA approved a commitment of \$745,000 from its Housing Fund to realize the goal of a substantial number of affordable housing units created by the redevelopment of the 350 S. Fifth Avenue property. Ms. McCallum said that to approve the AAAHC grant request, the DDA will need to temporarily utilize these funds with the understanding that the DDA will have the opportunity to replace these funds when it creates its FY22 budget. Mr. McKinnon said that it was important that the DDA retain its commitment of funds to the Ylot to ensure that the maximum number of affordable housing units will be built at this site; Ms. Letaw said she strongly agreed. Mr. Bartelme asked that the resolution include language stating the DDA's resolve to safeguard its commitment of funds for the Ylot. Ms. Pollay said that she would work to include this language and would distribute a draft resolution to the Committee to ensure this is stated clearly. Comments indicated there was unanimous Committee support to put this forward to the Board and encourage DDA approval of this grant request.

Public Comment: None.

The next Affordable Housing/Economic Development Committee meeting (with Partners) is scheduled for September 9 at 9 am.

The meeting adjourned at 11:00 am.

Respectfully submitted,
Susan Pollay, Executive Director