

# City explores housing, development millage



ROBERT CHASE, THE ANN ARBOR NEWS

Ron Spears, operations manager for Amvest Property Management Inc., shows a third-floor downtown loft nearly ready for occupancy in the old Lucky Drugs building on Main Street. The city is debating how to get more residential development downtown while at the same time providing affordable housing throughout Ann Arbor.

## Mayor is skeptical, waits for council recommendation

BY TOM GANTERT  
News Staff Reporter

A new property tax levy of up to a half-mill is one idea being floated to pay for affordable housing and to spur residential development in downtown Ann Arbor.

The Downtown Residential Task Force offered the new tax levy of .25 to .5 mills Monday night at a City Council work session as one of many ways to encourage residential development downtown.

The reshaping of downtown has become a hot issue as the city ponders how to accommodate population growth as it develops a greenbelt of open space in the surrounding townships. At the same time, it is faced with trying to provide affordable housing for working families in the city's hot real estate market.

The key is finding ways to make housing more affordable in the most expensive part of the city to build. Developers are often asked to include affordable housing as part of a project

or donate money toward it in exchange for zoning approval. That raises the price tag for project and the selling price of the other units.

The eight-member task force — composed of residents and members of the City Council and Planning Commission — said having the taxpayers subsidize affordable housing would lift that burden off developers and lower their cost of building.

The task force's mission is to find ways to bring in 2,500 more

housing units to the downtown area by 2015.

A .25-mill property tax levy would generate about \$950,000 a year and cost a homeowner with a \$250,000 house about \$31.25 a year in additional property taxes.

Mayor John Hieftje said the council is far from approving any measures recommended Monday. He said he'd like to see whatever recommendations the City Council decides to support

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