

August 31, 2012

Statement from the Near North Development Team

We are writing to let you know that the Near North project will not be moving forward. A combination of factors- including tax and regulatory changes, financing timeline constraints, and the challenges of balancing complex site work with cost containment efforts – led to our decision that the project was no longer feasible as planned. Most recently, changes in the FEMA floodway boundaries that had previously been resolved made the proposed project ineligible for essential federal affordable housing funds, leaving a financing gap that could not be addressed within current completion deadlines.

Affordable and supportive housing projects typically have complex financing structures that involve multiple funders and regulatory agencies. For Near North, the challenge of bringing these funding sources together proved impossible within the timeframe allowed by our tax-credit financing.

We are aware that the project's delays have raised community concerns, and greatly appreciate the patience and cooperation of our partners at the City of Ann Arbor, Washtenaw County, and especially the neighbors of Near North. At this point we are cooperating with the City's efforts to remove the houses on the site, and will continue to work with local and state government and other partners to explore alternative development options for the site. We remain committed to expanding the availability of affordable housing in our community, and look forward to being a part of future efforts.