



Legislation Text

File #: 14-1129, **Version:** 2

Resolution to Approve the Purchase of 3401 Platt Road on Behalf of the Housing Commission \$195,000.00 **(8 Votes Required)**

The Ann Arbor Housing Commission (AAHC) is redeveloping its property at 3451-3457 Platt Road. The property currently has four 5-bedroom single-family homes that are in the floodway and these homes experience regular flooding during a storm event. The AAHC would like to demolish these homes and rebuild them out of the floodway as part of a new 32 unit site plan. The new site plan would combine three adjacent parcels into one parcel. The first parcel is 3451-3457 Platt. The second parcel is an adjacent vacant parcel. Both of these parcels are owned by the City on behalf of the AAHC. The third parcel is 3401 Platt, which is adjacent to this vacant parcel.

The owners of 3401 Platt have agreed to sell the property to the City for use by the AAHC as required by City ordinance. Acquisition of this property will enable the AAHC to replace its units and add 28 additional units of affordable housing on Platt Road.

Ann Arbor City Code, Chapter 8, Section 1:209(3) states:

All deeds, mortgages, contracts, leases, purchases, or other agreements regarding real property which is or may be put under the control of the housing commission, including agreements to acquire or dispose of real property, shall be approved and executed in the name of the City of Ann Arbor. The Ann Arbor City Council may, by resolution, decide to convey or assign to the housing commission any rights of the city to a particular property owned by the City of Ann Arbor which is under the control of the housing commission and such resolution shall authorize the City Administrator, Mayor and Clerk to take all action necessary to effect such conveyance or assignment.

The City of Ann Arbor must purchase 3401 Platt on behalf of the AAHC as required by City Code. Once acquired, the City has the authority under City Code to transfer the deed to the properties to the AAHC at any time. The AAHC will provide the funding for the City to make this purchase and is requesting that the City transfer ownership of the property to the AAHC at the time of purchase.

The AAHC and its development partner, Norstar Developers, will pay for all of the due diligence such as title search, survey, environmental assessment, as well as for the architectural design and engineering for the site plan, and for closing costs.

The purchase price for the 1.17 acre property is \$195,000.00. The terms of the purchase agreement include that the City will pay \$10,000.00 in earnest money within three days of executing the purchase agreement, and the City will pay an additional \$10,000.00 in earnest money following rezoning and site plan approval. The remainder of purchase price will be due at closing on February 1, 2015 unless the parties negotiate an alternative date.

The AAHC and Norstar Developers will be applying for funding for redevelopment of this project

through Low Income Housing Tax Credits and private and public funding sources.

This expenditure is not budgeted in FY2015. However, there is no net impact to the General Fund. The Ann Arbor Housing Commission is paying for the acquisition, and will also pay all related due diligence and closing costs.

Prepared by: Jennifer Hall, Executive Director Ann Arbor Housing Commission

Reviewed by: Kevin McDonald, Senior Assistant City Attorney

Approved by: Steven D. Powers, City Administrator

Whereas, the Ann Arbor Housing Commission ("AAHC") is redeveloping its property at 3451-3457;

Whereas, the AAHC desires to purchase property at 3401 Platt Road, which is adjacent to exiting AAHC sites to provide additional affordable housing;

Whereas, Chapter 8, Section 1:209(3) of Ann Arbor City Code requires that purchases of land for the AAHC be approved and executed in the name of the City of Ann Arbor;

Whereas, The property has been appraised as required by Chapter 14, Section 1:321 of Ann Arbor City Code;

Whereas, The purchase price of the property is \$195,000.00; and

Whereas, The AAHC has approved the allocation of \$195,000.00 to the City of Ann Arbor for the purchase price, and the Housing Commission will pay for all due diligence and closing costs;

RESOLVED, That City Council approve the purchase of the property at 3401 Platt Road, with a tax parcel ID of 09-12-11-207-012, owned by Rebecca K. Ratliff Revocable Living Trust and James Anthony Ratliff for the Housing Commission to provide additional affordable housing;

RESOLVED, That \$195,000.00 be appropriated and the General Fund Community Development expenditure budget be increased by \$195,000.00 funded by a reimbursement revenue from the Housing Commission for expenditure without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the purchase and sale agreement after approval as to substance by the City Administrator and as to form by the City Attorney;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute a deed of the property from the City of Ann Arbor to the AAHC to be delivered to the AAHC immediately after purchase of the property by the City of Ann Arbor; and

RESOLVED, That the City Administrator be authorized and directed to implement this resolution, including the execution of any necessary closing documents after approval as to form by the City Attorney.

Sponsored by: Councilmember Teall