



## Legislation Text

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File #: 23-1127, Version: 2

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### Resolution to Sell 350 S. Fifth to the Ann Arbor Housing Development Corporation (\$6,200,000.00) **(8 Votes Required)**

The Ann Arbor Housing Commission (AAHC) is requesting City Council approval to sell 350 S. Fifth to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan nonprofit corporation, whose sole member is the AAHC, for \$6,200,000.00. Gerald Alcock Company, LLC conducted an appraisal in December 2022 that established the fair market value given the adopted PUD and Supplemental Regulations.

On April 1, 2019, City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the AAHC to provide coordinated analysis on the feasibility of City-Owned properties as potential locations for affordable housing. This resolution incorporated previous resolutions R-19-100, R-19-111, and R-19-116.

As an outcome of the analysis, in 2020, City Council approved a resolution (R-20-139), that directed the City Administrator, Ann Arbor Housing Commission, and Planning Commission to create proposed application materials and review and recommend development entitlements to the City Council for 350 S. Fifth Avenue (former Y-Lot) to support the development of affordable housing in the City. Under the direction of this resolution, AAHC held a series of public engagement events resulting in the recommendation for a Planned Unit Development (PUD) rezoning for the site.

In 2022, City Council passed ORD-22-03, rezoning the site to PUD (Planned Unit Development) and adopted Supplemental Regulations to establish the uses and development standards for site. Below is a summary of the required or permitted development attributes:

- Permitted primary and accessory uses are the same as the D1 zoning district, except fueling stations, vehicle repair, vehicle wash, and drive-through facilities are prohibited
- The Affordable Phase shall be developed, constructed and occupied first, or concurrently with the Mixed-Income Phase
- The maximum height for any building shall be 275 feet
- No vehicle parking shall be required
- A minimum of 100 affordable dwelling units and a minimum of 40% of all dwelling units shall be affordable to households up to 60% of the Area Median Income
- A 30-foot wide, 25-foot high right-of-way shall be provided to the Ann Arbor Area Transportation Authority to provide an expansion and/or improvement of the Blake Transit Center
- Prohibition of any vehicular curb cut on William Street
- Fully electric buildings with the ability to meet the City's target of Net Zero by 2030
- Natural gas connections shall only be permissible for back-up emergency generators
- All buildings shall meet or exceed the Target Energy Use Intensity (EUI) for each building type consistent with 2030 Zero-Carbon Goals of the City.
- All buildings shall meet or exceed the 2021 International Energy Conservation

- Code (IECC), inclusive of the Zero Code Appendix. All buildings shall meet or exceed the Enterprise Green Communities (EGS), National Green Building Standard (NGBS) or an equivalent national green building standard

The AAHC is requesting that the City convey the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$6,200,000.00 to continue moving the process forward and begin engaging with a potential development partner. The funding sources for acquisition include \$1,000,000.00 City ARPA funds and \$5,200,000.00 City Affordable Housing Millage funds that have previously been granted to the AAHC.

Deed restrictions shall be recorded at the time of sale requiring affordable housing on site, and establishing that the City may require the property to be returned to the City at no cost if the property is not developed within fifteen years from the time of sale.

Note: This resolution was amended by City Council on September 18, 2023 with the approval of R-23-348.

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

Reviewed By: Kevin McDonald, Chief Deputy City Attorney

Approved By: Milton Dohoney Jr., City Administrator

Whereas, In 2020, City Council approved resolution (R-20-139), directing the City Administrator, Ann Arbor Housing Commission ("AAHC"), and Planning Commission to create proposed application materials, and review and recommend development entitlements to the City Council for the property at 350 S. Fifth Avenue ("Property"), sometimes referred to as the former Y-Lot, to support the development of affordable housing in the City;

Whereas, Based on community feedback, the AAHC pursued rezoning the Property to PUD;

Whereas, In 2022, City Council passed ORD-22-03, which rezoned the Property to PUD and established uses and development standards for the Property consistent with the community's vision for this site;

Whereas, The City received an appraisal, as required by Chapter 14, Section 1:321 of Ann Arbor City Code, establishing that the fair market value of the Property is \$6,200,000.00; and

Whereas, The AAHC is requesting that the City sell the Property to the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, whose sole member is the AAHC, for \$6,200,000.00 to meet City affordable housing goals and advance the development process;

RESOLVED, That City Council approve the sale of the Property commonly known as 350 S. Fifth, and further described as:

LOTS 3, 4, 5 and 6 of Block 3 South, Range 5 East, ORIGINAL PLAT OF ANN ARBOR

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to the Ann Arbor Housing Development Corporation for the fair market value of \$6,200,000.00;

RESOLVED, That the City Council approves a quitclaim deed and any other documents necessary to

convey ownership interest to the Ann Arbor Housing Development Corporation as required by Chapter 8, Section 1:209(3) of Ann Arbor City Code;

RESOLVED, That the Mayor and City Clerk are authorized to sign a quitclaim deed and any other documents necessary to convey the Property, subject to approval as to substance by the City Administrator, and approval as to form by the City Attorney, upon the condition that deed restrictions are placed on the Property at the time of transfer requiring affordable housing on-site; and

RESOLVED, That the City Administrator be authorized to take any necessary administrative actions to complete this transaction.

**\*As Amended by Resolution R-23-348 Approved by Ann Arbor City Council on September 18, 2023**