



Legislation Details (With Text)

File #: 25-0685 **Version:** 1 **Name:** 4/7/25 Resolution to Exercise Right of First Refusal to Purchase 166 Ashley Mews

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Title: Resolution to Exercise a Right of First Refusal to Purchase 166 Ashley Mews and Appropriate Funding (\$150,000.00) (8 Votes Required)

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
4/7/2025	1	City Council	Approved	Pass

Resolution to Exercise a Right of First Refusal to Purchase 166 Ashley Mews and Appropriate Funding (\$150,000.00) (8 Votes Required)

Eight owner-occupied units within the Ashley Mews Condominium project were set aside as affordable as part of the Ashley Mews Planned Unit Development zoning approvals.

The City recorded Affordable Housing Covenants for each of the eight Ashley Mews affordable units which require that the units are sold at a restricted sale price to income-qualified buyers.

The City has a first right of refusal and may elect to purchase an affordable unit by notifying the owner within sixty days of receipt of written notice of the owner’s intent to sell. The City must resell the unit to an income-qualified buyer who meets eligibility requirements.

The Office of Community and Economic Development manages these affordable units on behalf of the City, including identifying eligible income-qualified buyers and facilitating the transfer between buyer and seller when these units are sold.

Unit 44 of the Ashley Mews Condominium, commonly known as 166 Ashley Mews, Ann Arbor, Michigan, is an affordable unit restricted by an Affordable Housing Covenant. On February 27, 2025, the City received written notice that the owner of 166 Ashley Mews intends to sell the affordable unit.

Staff recommends that the City exercise its first right of refusal and purchase the 166 Ashley Mews property to expedite the purchasing process and promptly resell to an eligible buyer in collaboration with the Office of Community and Economic Development.

Budget/Fiscal Statement: This purchase of 166 Ashley Mews is not budgeted within the FY25 General Fund budget. It is recommended that the City utilize up to \$150,000.00 of General Fund fund balance to purchase this property. The General Fund shall be made whole upon the sale of the

property.

Prepared by: Nicole Vargas, Assistant City Attorney

Reviewed by: Derek Delacourt, Community Services Area Administrator
Tara Cohen, Housing and Infrastructure Administrator OCED

Approved by: Milton Dohoney Jr., City Administrator

Whereas, On February 27, 2025 the City received written notice from the owner of his intent to sell the affordable unit at 166 Ashley Mews, Ann Arbor, Michigan, Tax Parcel No. 09-09-29-411-090, (the "Affordable Unit");

Whereas, The Affordable Unit is restricted by a recorded Affordable Housing Covenant that provides the City with a first right of refusal;

Whereas, The Affordable Housing Covenant contains terms of sale such as a restricted sale price and a requirement that the Affordable Unit is sold to an eligible income-qualified buyer;

Whereas, The Office of Community and Economic Development will determine the current sale price of the Affordable Unit under the terms of the Affordable Housing Covenant, which is estimated to be between \$137,700.00 to \$150,000.00; and

Whereas, The City's purchase of the Affordable Unit will help facilitate a seamless transfer of ownership to an eligible buyer identified by the Office of Community and Economic Development;

RESOLVED, That City Council hereby exercises its right of first refusal to purchase the Affordable Unit at 166 Ashley Mews and resell it to an eligible buyer pursuant to the terms of the Affordable Housing Covenant;

RESOLVED, That up to \$150,000.00 be appropriated from the General fund fund balance to the FY25 Community Development General Fund expenditure budget for the purchase of 166 Ashley Mews;

RESOLVED, That all amounts herein are without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute a purchase agreement for purchase of the Affordable Unit at 166 Ashley Mews after approval by the City Administrator and City Attorney; and

RESOLVED, That the City Administrator be authorized to take all appropriate action to implement this resolution, including execution of all appropriate documents.