



Legislation Details (With Text)

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Title: Resolution to Authorize the Administrator to Provide Notice that the City Will Not Exercise Rights of First Refusal for Covenant-Restricted Housing Units at Stone School Townhomes and Ashley Mews

Sponsors: Christopher Taylor, Zachary Ackerman

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| 6/15/2020 | 1 | City Council | Approved | Pass |

Resolution to Authorize the Administrator to Provide Notice that the City Will Not Exercise Rights of First Refusal for Covenant-Restricted Housing Units at Stone School Townhomes and Ashley Mews The City administers and enforces affordable housing covenants at Stone School Townhomes and Ashley Mews. These covenants restrict the sale of certain units in these condominiums to income-qualified buyers at restricted prices. The covenants grant the City a right of first refusal on the units, and the City has 60 days to exercise this right after the seller notifies the City of their intent to sell. Sellers usually provide the City with this notice when they list their unit for sale (prior to signing a purchase agreement with a specific buyer), and then wait until after 60 days to complete a sale transaction, but this limits sellers from completing a sale immediately upon listing. The units may only be sold to an income-qualified buyer at a restricted price, and each final transaction is reviewed and approved by the Office of Community and Economic Development. If the City elects to purchase the unit, the City would also be bound by the covenant to resell the property to an income-qualified buyer under the same restrictions in the covenant.

Approval of this resolution will allow the Administrator or designee to respond immediately upon notice of an intent to sell that the City will not be exercising its right of first refusal. This will facilitate the owners being able to sell their units without delay. The Administrator may still bring a right of first refusal to Council if there is any reason that the City wants to administer the sale of the unit.

There is a current owner who would like to have the ability to sell her unit without waiting for the expiration of 60 days. Approval of this resolution will allow the Administrator to provide immediate notice to this seller that the City will not be exercising its right of first refusal, as well as to future sellers when the City receives notice of their intent to sell.

Prepared by: Kevin McDonald, Deputy City Attorney

Reviewed by: Stephen K. Postema, City Attorney

Whereas, Certain condominium units at Stone School Townhomes and Ashley Mews are restricted by affordable housing covenants;

Whereas, The affordable housing covenants restrict the sales prices of the units so that they are affordable to low-income homebuyers;

Whereas, The affordable housing covenants grant the City a right of first refusal to purchase an affordable unit 60 days after an owner provides notice of intent to sell the unit;

Whereas, Upon such sale, the City would be required to sell the condominium unit under the same terms of the affordable housing covenant;

Whereas, Due to the time sensitive nature of these transactions, the Office of Community and Economic Development is requesting that Council authorize the City Administrator to be able to notify sellers that the City will not exercise its right of first refusal for these covenant restricted units;

RESOLVED, That City Council authorizes that upon notice of an intent to sell, the City Administrator, or designee, may notify the seller of a covenant-restricted affordable housing unit at Stone School Townhomes and Ashley Mews that the City will not be exercising its right of first refusal, which will facilitate faster transfer of ownership to other income-qualified purchasers;

RESOLVED, That the Mayor and City Clerk, is hereby authorized and directed to sign any documents consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator, or designee, is authorized to take necessary administrative actions and to execute any documents necessary to implement this resolution.

Sponsored by: Mayor Taylor and Councilmember Ackerman