



Legislation Text

File #: 24-0140, Version: 1

Resolution to Sell 1510 E. Stadium Blvd. to the Ann Arbor Housing Development Corporation (\$35,000.00) **(8 Votes Required)**

The Ann Arbor Housing Commission (AAHC) is requesting City Council approval to sell 1510 E. Stadium Boulevard, also known as Fire Station #2, to the Ann Arbor Housing Development Corporation (AAHDC), a 501(c)(3) Michigan nonprofit whose sole member is the AAHC, for \$35,000.00. The property was appraised in 2022 for \$470,000.

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-19-110, R-19-111, and R-19-116.

As an outcome of the analysis, which found that this property is in a good location for affordable housing by being next to two main bus routes, nearby schools, and other key amenities, in 2021, City Council approved a resolution (R-21-135), directing the AAHC, and its affiliated legal entities, to develop 1510 E. Stadium as Affordable Housing. However, at the time the resolution was adopted, the Fire Department's Inspection Services were still occupying the building so implementation of the resolution was delayed. The Fire Department Inspection Services have recently vacated the building.

Because the development process can take several years and because the AAHC's current administrative offices and maintenance facilities at 2000 S. Industrial have become unsuitable, the AAHC intends to use 1510 E. Stadium as their temporary administrative offices and maintenance facilities until a permanent location is found. Ideally, the AAHC would not move until a long-term location is identified, but the need for new office and maintenance space is urgent.

The AAHC's operations have outgrown the existing space and are continuing to grow. The most urgent need is storage space for maintenance inventory and equipment as well as maintenance staff. Neither 1510 E. Stadium nor 2000 S. Industrial are ideal, but 1510 E. Stadium is several thousand square feet larger than Industrial. The Police Department still has vehicles and equipment stored in the bay area of Fire Station #2 that they agreed can be moved to 2000 S. Industrial location. That storage will require an annual rent payment to the Water Supply Fund, owner of the property. The sale amount of \$35,000.00 will cover five years of the Police Department share of the rent payment and thereafter the Police Department share will be absorbed in the Police Services General Fund Operations and Maintenance Budget.

In addition, finance and administrative staff members are doubled up in offices and 2000 S. Industrial lacks an adequate conference room. Project teams wishing to have an in-person meeting must use the open kitchen space and face multiple interruptions from people passing through to use the restroom or stopping in to use the kitchen facilities.

1510 E. Stadium does require renovations before the AAHC can use it, including, but not limited to,

boiler repair, roof repair and/or replacement, removing trees and stumps, painting, adding fixtures, replacing doors, improving parking facilities, environmental remediation, installing an ADA ramp and an ADA bathroom, and general site clean-up. In total, the anticipated renovations are expected to cost \$200,000 to \$300,000 and the AAHC will pay for these renovations.

The AAHC is requesting that the City sell the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$35,000.00. The deed will include a restriction that ensures that the housing that is built, will be permanently affordable to households whose income is 60% of the Area Median Income or less.

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 2021, City Council approved resolution (R-21-135), directing the Ann Arbor Housing Commission, and its affiliated legal entities, to develop 1510 E Stadium as Affordable Housing; and

Whereas, the AAHC is requesting that the City sell 1510 E. Stadium Blvd. to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan non-profit corporation, whose sole member is the AAHC, for \$35,000.00 to meet the City's affordable housing goals and advance the development process;

RESOLVED, That City Council approve the sale of the property commonly known as 1510 E. Stadium Blvd., and further described as:

Parcel Number: 09-09-33-410-003

Legal Description: LOT 112 EXC W & SW 10 FT & ALL LOTS 113, 114, & 115 FRISINGER LAND COMPANYS SECOND SUBD

to the Ann Arbor Affordable Housing Development Corporation for \$35,000.00;

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 a deed restriction is placed on the Property at the time of transfer requiring permanently affordable housing to be developed on-site (which is affordable to a household whose income is 60% AMI or less), and allowing use of the property as AAHC offices and maintenance facilities until the affordable housing is constructed; and

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