Legislation Details (With Text)

File #:	22-1319	**Version:** 1	**Name:**	8/4/22 1146 S. Maple Sale to Avalon Housing	
Type:	Resolution		**Status:**	Passed	
File created:	8/4/2022		**In control:**	City Council	
On agenda:	8/4/2022		**Final action:**	8/4/2022	
Enactment date:	8/4/2022		**Enactment #:**	R-22-253	
Title:	Resolution to Approve the Sale of City-Owned Property at 1146 South Maple to Avalon, Housing, Inc. for the Development of Affordable Housing (8 Votes Required)				
Sponsors:	Linh Song				
Indexes:					
Code sections:					
Attachments:	1. 1146 Maple Purchase Agreement FINAL.pdf				

Date	Ver.	Action By	Action	Result
8/4/2022	1	City Council	Approved	Pass

Resolution to Approve the Sale of City-Owned Property at 1146 South Maple to Avalon, Housing, Inc. for the Development of Affordable Housing **(8 Votes Required)**
Provided is a Residential Purchase Agreement for Council approval for the City to sell property at 1146 South Maple Road to Avalon Nonprofit Housing Corporation (dba Avalon Housing, Inc), or an affiliated entity, for $260,000.

The City exercised a recorded right of first refusal to acquire this approximately 1.15-acre property containing a single-family house on September 12, 2019, as approved in Council Resolution R-19-299. The property was purchased for $260,000. At the time the City was notified of a possible sale, Avalon Housing, Inc. expressed interest in purchasing the property to expand its adjacent Hickory Way I and II affordable housing developments at 1120 and 1130 South Maple Road. Hickory Way I and II now consists of 70 units of affordable housing which is available to individuals and families whose income does not exceed 60% of area median income, including 43 units restricted to households whose income does not exceed 50% of area median income.

Sale of this property to Avalon Housing, Inc. will enable them to develop at least 14 units of affordable housing on the site. Preliminary conceptual plans include all one-bedroom units and an on-site community space.

Avalon has requested a period of approximately 33 months to complete due diligence, acquire necessary City zoning and site plan approvals, and secure financing for acquisition and construction of the affordable housing prior to completion of the sale. Given the challenges of developing affordable housing, especially securing financing from multiple sources including low-income housing tax credits, this period has been included in the Residential Purchase Agreement, along with two 90-day administrative extensions, if necessary. The Residential Purchase Agreement will also require a deed restriction requiring that the property may only be used as multi-family affordable housing to individuals and families whose income does not exceed 60% of area median income;

The property is approximately 1.15 acres and is adjacent to Hansen Nature Area. City parks staff reviewed the property prior to City purchase and did not recommend purchasing it for parks purposes. The property scored 28/100, placing it in the 4th percentile of all applications for parks acquisition, and in the lowest percentile of all "Natural Area" applications.

Community Services and the Washtenaw Office of Economic and Community Development support the sale of this property to Avalon Housing, Inc. to expand the supply of affordable housing in the City.

Budget Impact: Proceeds from this purchase shall be paid to the General Fund which will replenish funds used by the City to acquire the property.
Prepared by: Kevin McDonald, Chief Deputy City Attorney
Approved by: Atleen Kaur, City Attorney
Milton Dohoney Jr., City Administrator
Whereas, Avalon Nonprofit Housing Corporation, doing business as Avalon Housing, Inc. owns and operates 70 units of affordable housing in its Hickory Way I and II Developments at 1120 and 1130 S. Maple Road;

Whereas, In R-19-299 City Council approved exercising it's right of first refusal to purchase the adjacent property at 1146 South Maple Road after Avalon Housing, Inc. expressed interest in acquiring the property to construct additional affordable housing, and City parks staff did not recommend acquiring the property for park purposes;

Whereas, The City subsequently purchased the property at 1146 South Maple Road for $260,000.00;

Whereas, Prior to the purchase, the City obtained an appraisal for the property, which concluded that the fair market value of the property is $250,000.00;

Whereas, Avalon Housing, Inc., shall purchase the property from the City for $260,000 to construct Hickory Way III, which will provide a minimum of an additional 14 units of affordable housing in Ann Arbor; and

Whereas, The terms of sale will require that that there be a deed restriction that the property will be used as multi-family affordable housing to individuals and families whose income does not exceed 60% of area median income;

RESOLVED, That City Council approve the sale of the property at 1146 South Maple Road to Avalon Nonprofit Housing Nonprofit Corporation (dba Avalon Housing, Inc.), or an affiliated entity, for $260,000;

RESOLVED, That the sale of 1146 South Maple Road shall be contingent on Avalon Housing, Inc. completing due diligence, acquiring necessary City zoning and site plan approvals, and securing financing for acquisition and construction of the affordable housing within a 33-month period, and prior to completion of the sale;

RESOLVED, That City Council approve the Residential Purchase Agreement for 1146 South Maple, substantially in the form attached, subject to approval as to substance by the City Administrator, and subject to approval as to form by the City Attorney;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Residential Purchase Agreement; and

RESOLVED, That the City Administrator be authorized to take any necessary administrative actions to complete this transaction, including administrative extensions as allowed by the Residential Purchase Agreement.

Sponsored by: Councilmember Song