Legislation Details (With Text)

File #:	23-1556	**Version:**	1	**Name:**	9/18/23 Amend 350 S 5th Sale
Type:	Resolution			**Status:**	Passed
File created:	9/18/2023			**In control:**	City Council
On agenda:	9/18/2023			**Final action:**	9/18/2023
Enactment date:	9/18/2023			**Enactment #:**	R-23-348

Title: Resolution to Amend Resolution R-23-306 to Sell 350 S. Fifth to the Ann Arbor Housing Development Corporation ($6,200,000.00) (8 Votes Required)

Sponsors: Erica Briggs, Lisa Disch, Linh Song

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
9/18/2023	1	City Council	Approved	Pass

Resolution to Amend Resolution R-23-306 to Sell 350 S. Fifth to the Ann Arbor Housing Development Corporation ($6,200,000.00) **(8 Votes Required)**
On August 21, 2023, City Council approved the sale of 350 S. Fifth to the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, whose sole member is the Ann Arbor Housing Commission (AAHC). One of the conditions of sale was that the deed have a reverter requiring that the property be returned to the City at no cost if is not developed within fifteen years from the time of sale.

The AAHC has now had additional discussion with the development community and concerns have been raised that this condition may significantly limit the interest of developers and lenders in the transaction.

The AAHC and City have designed this transaction for flexibility, so that the AAHC could maximize opportunities to develop the property. The AAHC is requesting that the City remove the reverter so that the AAHC can reach the broadest possible audience when seeking developer partners and lenders. The other deed restriction requiring affordable housing on the property will remain a condition of sale.
Prepared By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission
Reviewed By: Kevin McDonald, Chief Deputy City Attorney
Whereas, On August 21, 2023 City Council approved the sale of 350 S. Fifth (“Property”) to the Ann Arbor Housing Development Corporation in Resolution R-23-306;

Whereas, The Ann Arbor Housing Commission has requested a revision of the terms of sale required by Resolution R-23-306; and

Whereas, The City Council and Housing Commission want to optimize opportunities for the successful development of the Property;

RESOLVED, That City Council remove the condition of sale of the Property requiring that the Property be returned to the City at no cost if the Property is not developed within fifteen years from the time of sale; and

RESOLVED, That all other terms of the sale of the Property approved by Resolution R-23-306 remain the same.

Sponsored by: Councilmembers Briggs, Disch, and Song