



Legislation Details (With Text)

File #: 24-0139 **Version:** 1 **Name:** 3/18/24 123 W. Summit Sale
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Title: Resolution to Sell 123 W. Summit (formerly part of 721 N. Main) to the Ann Arbor Housing Development Corporation (\$44,000.00) (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 123 N. Main Map.pdf, 2. 2023 7-5 721 N Main Lot Division Approval Letter - LD23-0003.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 3/18/2024 | 1 | City Council | Approved | Pass |

Resolution to Sell 123 W. Summit (formerly part of 721 N. Main) to the Ann Arbor Housing Development Corporation (\$44,000.00) **(8 Votes Required)**

The Ann Arbor Housing Commission (AAHC) is requesting City Council approval to sell 123 W. Summit (formerly part of 721 N. Main) to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan nonprofit whose sole member is the AAHC, for \$44,000.00. 721 N Main was appraised in 2019 for \$2,430,000.00 for the entire 5.26 acre parcel. However, the 123 W. Summit parcel has not been appraised.

On April 1, 2019, Ann Arbor City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the Ann Arbor Housing Commission (AAHC) to provide coordinated analysis on the feasibility of city-owned properties as potential locations for affordable housing. That resolution incorporated previous resolutions R-19-110, R-19-111 and R-19-116.

The Ann Arbor Housing Commission led the analysis along with support from a staff team and several contractors to determine the feasibility for 11 sites including review of land use and zoning, environmental conditions, financial resources, site-specific costs, and overall risk among other factors. The analysis, three potential portfolio scenarios, and next step recommendations were presented to City Council at the Nov.18, 2019 City Council meeting.

As part of the analysis, it was determined that 721 N. Main had numerous site challenges including a FEMA Hazard Mitigation Grant deed, restricting the floodway and floodplain permanently as open space for the conservation of natural floodplain functions. The northwest corner of the site that abuts W. Summit Street was the only portion of the site that was not in the floodway or floodplain and is suitable for affordable housing development. Therefore, a .33 acre parcel in the northwest corner was split from the 5.26 acre parcel known as 721 N. Main for the purpose of developing affordable housing.

Further, AAHC staff worked with the SmithGroup to conduct community engagement for 123 W.

Summit. The team presented three different affordable housing scenarios and all scenarios received over 60% community support.

The 721 N. Main parcel currently has an asset value of \$44,000.00 in the City's fixed asset system. To avoid a loss at sale, the sale price of \$44,000.00 is recommended. AAHC is requesting that the City sell the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$44,000.00.

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, The Ann Arbor Housing Commission (AAHC) conducted a feasibility analysis and determined the northwest corner of the of 721 N. Main that abuts W. Summit Street was the only portion of the site that is not in the floodway or floodplain and is suitable for affordable housing development;

Whereas, The City's fixed asset system enumerates 721 N Main as a Fleet Fund asset with a value of \$44,000.00;

Whereas, A .33 Acre portion in the NW corner that is not in the floodway or floodplain was separated from the 5.26 acre parcel at 721 N. Main and made into its own parcel, now known as 123 W. Summit Street ("Property"), for the purpose of developing affordable housing; and

Whereas, The AAHC is requesting that the City sell the Property to the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, whose sole member is the AAHC, for \$44,000.00 to meet the City's affordable housing goals and advance the development process;

RESOLVED, That City Council approve the sale of the Property to the Ann Arbor Housing Development Corporation for \$44,000.00;

RESOLVED, That City Council finds, upon the recommendation of the City Administrator, that a fair market value appraisal for this sale is unnecessary because the property shall be used for the public purpose of providing affordable housing, and because the City has received an appraisal for the entire parent parcel;

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 households whose income is 60% AMI or less); and

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

