



## Legislation Details (With Text)

**File #:** 11-0463      **Version:** 1      **Name:** 5/16/11 - Near North Demo  
**Type:** Resolution      **Status:** Passed  
**File created:** 5/16/2011      **In control:** City Council  
**On agenda:** 5/16/2011      **Final action:** 5/16/2011  
**Enactment date:** 5/16/2011      **Enactment #:** R-11-195

**Title:** Resolution to Amend the Neighborhood Stabilization Program (NSP) Budget by adding \$24,135 in Program Income, and Allocate \$33,292.00 to Avalon Housing Inc. or an Affiliated Ownership Entity for the Demolition of 718, 722, and 724 North Main (\$33,292.00 NSP Funds) (8 Votes Required)

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Near North Demo

Date	Ver.	Action By	Action	Result
5/16/2011	1	City Council	Approved	Pass

Resolution to Amend the Neighborhood Stabilization Program (NSP) Budget by adding \$24,135 in Program Income, and Allocate \$33,292.00 to Avalon Housing Inc. or an Affiliated Ownership Entity for the Demolition of 718, 722, and 724 North Main (\$33,292.00 NSP Funds) **(8 Votes Required)**

Attached for your review and approval is a resolution to amend the Neighborhood Stabilization Program (NSP) budget by adding \$24,135.00 in program income, and allocate \$33,292.00 to Avalon Housing Inc. or an affiliated ownership entity for the demolition of 718, 722, and 724 North Main.

The City of Ann Arbor was allocated \$850,000.00 in NSP funds from MSHDA. The City received \$24,135.00 in program income from the owner of a house that was demolished. The City used NSP funds to demolish the house and the City put a lien on the property. The owner repaid the demolition costs in full. The budget needs to be increased by \$24,135.00 to \$874,135.00.

In addition, a NSP homeowner acquisition and rehabilitation project was completed under budget by \$11,750.00. Community Development recommends that Council budget and allocate the program income and leftover acquisition and rehabilitation funds for the demolition of 718, 722, and 724 North Main, which are all part of the redevelopment of the site as Near North Apartments for a total of \$33,292.00. The remaining \$2,593.00 will be allocated to Community Development for administration.

### Budget

Current Budget	\$850,000.00
<u>Plus Program Income</u>	<u>\$24,135.00</u>
New Budget	\$874,135.00

### Unallocated Funds

Program Income	\$24,135.00
<u>Remainder of Acq &amp; Rehab</u>	<u>\$11,750.00</u>

TOTAL	\$35,885.00
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**Recommended Allocation**

Demolition 718, 722 & 724 N Main	\$33,292.00
<u>Administration</u>	<u>\$2,593.00</u>
TOTAL	\$35,885.00

Community Development recommends that Council allocate \$33,292.00 in NSP funds as a 0% interest, deferred payment 35-year loan that will be forgiven after 35 years to Avalon Housing Inc., or an affiliated ownership entity to demolish 718, 722, and 724 North Main because the project meets the requirements of the NSP funds which include: the properties are in an eligible NSP census tract, the properties have been declared blighted, the owner has given permission to demolish the properties so that a court order is not necessary, and the federal Environmental Review process has been completed.

Avalon Housing Inc. received Living Wage and Human Rights approval in September 2010.

Prepared by: Jennifer Hall, Community Development Housing Manager

Reviewed by: Mary Jo Callan, Community Development Director

Sumedh Bahl, Community Services Administrator

Whereas, The City received \$24,135.00 in NSP program income from the owner of a house that was demolished;

Whereas, The NSP budget needs to be increased by \$24,135.00 to \$874,135.00;

Whereas, A NSP homeowner acquisition and rehabilitation project was completed under budget by \$11,750.00;

Whereas, Community Development recommends that Council budget and allocate the program income and leftover acquisition and rehabilitation funds for the demolition of 718, 722, and 724 North Main, which are all part of the redevelopment of the site as Near North Apartments; and

Whereas, The remaining \$2,593.00 will be allocated to Community Development administration;

**Budget**

Current Budget	\$850,000.00
<u>Plus Program Income</u>	<u>\$24,135.00</u>
New Budget	\$874,135.00

**Unallocated Funds**

Program Income	\$24,135.00
<u>Remainder of Acq &amp; Rehab</u>	<u>\$11,750.00</u>
TOTAL	\$35,885.00

**Recommended Allocation**

Demolition 718, 722 & 724 N Main	\$33,292.00
<u>Administration</u>	<u>\$2,593.00</u>
TOTAL	\$35,885.00

RESOLVED, That City Council approve the amended NSP budget of \$874,135.00, appropriate the funds and approve the allocation of \$33,292.00 in NSP Funds to Avalon Housing Inc., or an affiliated entity as a 0% interest, deferred payment 35 year loan that will be forgiven after 35 years for the demolition of 718, 722, and 724 North Main;

RESOLVED, That the Mayor and City Clerk be 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, be authorized to take necessary administrative actions and to execute any documents necessary to implement this resolution.