



Legislation Text

File #: 24-0399, **Version:** 1

Resolution to Purchase 404 N. Ashley to the Ann Arbor Housing Development Corporation for \$1.00 On December 18, 2023 the Ann Arbor City Council approved the sale of 404 N. Ashley (recently leased to the UM Dental Clinic) to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan nonprofit whose sole member is the AAHC, for \$1.00. Staff are requesting the AAHDC board to approve this acquisition.

In 2019, City Council approved a resolution (R-19-515), directing the AAHC to develop 404 N. Ashley as affordable housing. At the time, the UM Dental Clinic was in a lease that annually renewed through June 30, 2024. The lease is subject to immediate termination by the Lessor if the Lessee ceases the operation of a Community Dental Center at the Premises. The Dental Clinic services moved to the UM Dental School on November 30, 2023. Based on conversations with representatives from the UM and UM Dental School, they are agreeable to terminating the lease as they are no longer operating out of the building.

The AAHC conducted a feasibility analysis and the site is a good location to develop as affordable housing. However, it will take more than a year to go through site plan approval, secure financing and begin demolition of the building. The Winter Sheltering Taskforce, composed of local non-profits, the AAHC, City and County staff have been meeting and planning for an expected increase in need for emergency shelter this winter, particularly for families. In the short-term, the AAHC is working with local non-profit shelters providers to use 404 N. Ashley as a short-term emergency shelter until the AAHDC is ready to develop the property as affordable housing.

The City will sell the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$1.00. The AAHDC will record a deed 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. The City will reserve any necessary public access or utility easement rights.

Prepared and Approved By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission
Whereas, In 2019, City Council approved a resolution (R-19-515), directing the AAHC to develop 404 N Ashley as affordable housing;

Whereas, the Ann Arbor Housing Commission (AAHC) has conducted a feasibility analysis and the site is a good location to develop as affordable housing;

Whereas, the AAHC is requesting that the AAHDC Board approve the purchase of 404 N. Ashley to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan Non-profit Corporation, whose sole member is the AAHC, for \$1.00 to meet the City's affordable housing goals and advance the development process;

RESOLVED, That the Ann Arbor Housing Commission approves the purchase of the Property commonly known as 404 N Ashley, and further described as:

LOTS 5 and 6, B3N, R3E, Original Plat of the Village (now City) of Ann Arbor, as recorded in Transcripts, Pages 152 and 153, Washtenaw County Records.
Parcel Number: 09-09-29-139-032

From the city of Ann Arbor for the fair market value of \$1.00;

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