



## Legislation Text

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### Resolution to Exercise a Right of First Refusal to Purchase and Resell the Affordable Unit at 105 Ashley Mews and Appropriate Funds **(8 Votes Required)**

Eight owner-occupied units within the Ashley Mews Condominium project were set aside as affordable as part of the Ashley Mews Planned Unit Development zoning approvals.

The City recorded Affordable Housing Covenants for each of the eight Ashley Mews affordable units which require that the units are sold at a restricted sale price to income-qualified buyers.

The Covenant requires each owner of an affordable unit to use their unit as their primary residence and grants the City the right to enforce compliance. Where an owner is not in compliance, the City can buy back the affordable unit at the purchase price defined by the Covenant and resell to an income-qualified buyer.

The Office of Community and Economic Development manages these affordable units on behalf of the City, including identifying eligible income-qualified buyers and facilitating the transfer between buyer and seller when these units are sold.

Unit 9 of the Ashley Mews Condominium, commonly known as 105 Ashley Mews, Ann Arbor, Michigan, is an affordable unit restricted by an Affordable Housing Covenant. The owner no longer occupies the affordable unit as their primary residence. Staff recommends that the City enforce compliance and purchase the unit so it can be resold to an eligible buyer as identified by the Office of Community and Economic Development.

Budget/Fiscal Statement: This purchase of 105 Ashley Mews is not budgeted within the FY26 General Fund budget. It is recommended that the City utilize up to \$150,000.00 of General Fund fund balance to purchase this property. The General Fund shall be made whole upon the sale of the property.

Prepared by: Nicole Vargas, Assistant City Attorney

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Milton Dohoney Jr, City Administrator

Whereas, 105 Ashley Mews, Ann Arbor, Michigan (Tax Parcel No. 09-09-29-411-055) (the "Affordable Unit") is restricted by a record Affordable Housing Covenant ("Covenant") that grants the City the right to review and enforce compliance with the Covenant;

Whereas, The current owner no longer uses the Affordable Unit as their primary residence, and is therefore out of compliance with the Covenant;

Whereas, The City's enforcement options include requiring the owner to sell the Affordable Unit to the City at the price defined in the Covenant, which is currently estimated to be between \$132,000.00 to \$140,000.00; and

Whereas, The City's purchase of this affordable unit will allow the Affordable Unit to be put back to use as an affordable, owner-occupied unit when the City resells to an eligible buyer identified by the Office of Community and Economic Development;

RESOLVED, That City Council hereby authorizes the purchase of the Affordable Unit at 105 Ashley Mews and resale to an eligible buyer pursuant to the terms of the Affordable Housing Covenant;

RESOLVED, That up to \$150,000.00 is appropriated from the General Fund fund balance to the FY26 Community Development General Fund expenditure budget for the purchase of the Affordable Unit;

RESOLVED, That all amounts herein are without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute purchase agreements for purchase and sale of the Affordable Unit after approval by the City Administrator and City Attorney; and

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including execution of all appropriate documents.