



TO: Mayor and Council

FROM: Tom Crawford, City Administrator

CC: Derek Delacourt, Community Services Area Administrator
 John Fournier, Assistant City Administrator
 Teresa Gillotti, Executive Director, OCED
 Matthew Horning, Interim Financial Services Area Administrator/CFO
 Craig Hupy, Public Services Area Administrator
 Nick Hutchinson, City Engineer
 Matthew Kulhanek, Fleet & Facilities Managers
 Brett Lenart, Planning Manager
 Gerald Markey, City Assessor
 Marti Praschan, Chief of Staff, Public Services
 Missy Stults, Sustainability & Innovations Manager

SUBJECT: December 21, 2020 Council Agenda Responses

DATE: December 17, 2020

AC-1 - Memorandum from City Administrator: Healthy Streets Pilot Projects Findings - Response to Resolutions R-20-261 and R-20-262

Question: For each of the six pilot projects, I'm curious to know the specific dates they were configured/set up and also the specific dates when the road treatments (cones, barrels, etc.) were actually removed? (Councilmember Nelson)

Response: The installation and removal of Healthy Streets on arterial roadways is as follows:

Location	Deployment Date	Removal Date
Broadway St – N Division St to Swift St	September 10, 2020	**October 19, 2020
+Catherine St/Miller Ave – N Main St to N Division St/N First St to N Main St	August 31, 2020	November 2, 2020
+Division St – Packard St to Broadway St	August 31, 2020	November 3, 2020
E Packard St – Eisenhower Pkwy to Platt Rd	September 11, 2020	October 12, 2020

+Packard St – S State St to Hill St	August 31, 2020	November 3, 2020
Pontiac St/Swift St – Moore St/Longshore Dr to Swift St/Wright St to Broadway St	September 11, 2020	October 12, 2020
+S Main St – Packard St to William St	August 31, 2020	November 2, 2020
*S Main St – Stadium Blvd to Pauline Blvd S Main St – Pauline Blvd to William St	September 10, 2020 September 10, 2020	*October 12, 2020 & November 2, 2020
+S State/N University Ave – E William St to E Liberty/S State St to Thayer St	August 31, 2020	November 3, 2020

Notes:

*Removed lane closures on South Main from Stadium Blvd to Pauline Blvd on October 12, 2020 (note: Council Resolution [R-20-393](#) directed removal on “Packard between Platt and Eisenhower, on Broadway between Detroit Street and Maiden Lane, and on South Main Street between Pauline and East Stadium and directs the City Administrator to end the lane reconfigurations only on these street segments by October 15, 2020.”). The remainder of the lane closures on South Main between Pauline Blvd and Packard St were removed on November 2, 2020, to coordinate with removal of the DDA pilot project temporary traffic control devices and pavement marking work on S Main St between Packard St and William St.

**Removal was delayed due to contractor’s schedule and availability related to the coordination and removal of pavement markings in conjunction with other temporary traffic control devices.

+DDA pilot project location.

Question: Why was the evaluation limited to the pilot streets rather than including the “neighborhood,” especially the parallel streets, as is the standard demonstrated by the [NYC 14th Street busway](#) project design and evaluation? Please see page 9 for project scope. Will we include the impacted parallel streets in the future? (Councilmember Griswold)

Response: Staff reported on the data collection methodology and sought Council’s direction on June 15, 2020 during the [Healthy Streets presentation](#). Council did not give staff direction to collect data on parallel streets on June 15 nor July 6 - when resolutions [R-20-261](#) and [R-20-262](#) were passed. Staff will support such efforts in the future if that is Council’s desire and if sufficient budget for data collection, analysis, and reporting is provided. It also bears clarification that the NYC 14th St busway project is a different type of project with a much larger scope and budget than the Healthy Streets deployment. Our data collection methodology was on par with or exceeds those of other ‘healthy street’ type deployments we observed across the country.

Question: The report mentions confusion. Given the time to plan our next “Healthy Streets” initiative, is the goal to employ standard “road diet” methods to avoid confusion with construction zones. For example, can we commit to using the spaced glued-down delineators (mentioned in the report) rather than moveable construction barrels? (Councilmember Griswold)

Response: Staff appreciates and welcomes any direction or preference from Council on a future Healthy Streets initiative. Adjustments would be anticipated based on what was learned about the last pilots. Some of these adjustments might require additional budget support since things like pavement restriping, delineators, and water-filled ‘Jersey barriers’ are more costly to deploy than cones and barrels.

Question: I appreciate the “lessons learned” section. Can we commit to greater operational oversight with our future Healthy Streets initiative? (Councilmember Griswold)

Response: Operational oversight would be part of any future Healthy Streets initiative. Building off the response above, the hope would be that future Healthy Streets deployments would use materials that are less susceptible to being moved (by people or the elements). The last round of Healthy Streets was monitored daily (often multiple times per day) by the contractor and staff. However, cones/barrels/barricades could have shifted after daily inspections and the lack of on-site personnel (which would be present at an active construction site) led to ongoing challenges for upkeep.

Question: I quickly read the results on data collected from the Healthy Streets Pilot Program and I did not find any information on Emergency Response Vehicles and response time to calls for service. During council deliberations a few months ago, I had asked staff to collect data from emergency response services and to have that set of information included reported in the report to council. Can someone please point to where in this report the data response times for police, fire and EMS calls for service? I am striving to learn if response times in the pilot program areas resulted in any delays. (Councilmember Ramlawi)

Response: Staff is working to compile the data. Additional information from staff will be forthcoming.

CA-3 – Resolution to Award a Construction Contract to Lanzo Companies, Inc. (\$2,338,237.00, Bid No. ITB-4643) for the 2020 Sewer Lining Project

Question: The memo explains that the amount of storm sewer work in this contract was adjusted because Stormwater Funds were inadequate. Please explain the nature of “reduction in scope” of storm sewer work. (Councilmember Nelson)

Response: The number of locations within the storm sewer system to be lined through this project was reduced to fit within the \$1M budgeted from the Stormwater Fund. Specifically, the following storm sewers were eliminated from the scope of this project:

- E. Hoover Ave. – 48”, 36”, 24” and 21” storm sewer pipes
- State Street near Packard – 30” storm sewer pipe
- E. University Ave. – 24” and 36” storm sewer pipes

Roosevelt Ave. and Church St. – 20” and 18” storm sewer pipes
Plymouth Road and Broadway St. - 20” and 18” storm sewer pipes
Brockman Blvd. – 20” storm sewer pipe
Henry St. – 30” 24” and 18” storm sewer pipes

These locations will be incorporated into a future lining project instead.

CA-4 – Resolution to Appropriate Fund Balance to the Special Assistance Fund to Provide Aid to the Barrier Busters Program (\$12,000.00) (8 Votes Required)

Question: How is the Ann Arbor Assistance Fund typically allocated? If voluntary contributions have generated \$12,000 this year, is it anticipated that Barrier Busters is the appropriate program to receive these voluntary contributions in the future? (Councilmember Nelson)

Response: City Council established the Ann Arbor Assistance Fund (0038) in 1984 as a mechanism by which individual donors and the business community could make donations to assist Ann Arbor residents to prevent eviction and utility shut-off. The Barrier Busters Emergency Unmet Needs Fund was established to receive funds from state, local, and private agencies that can be accessed by a single point of entry application to reduce barriers and resolve urgent or crisis situations for individuals and families in need. Historically, all funds have been allocated to the Barrier Busters Program, which has an extensive network who are able to determine qualification of recipients and track adherence to the program criteria. In 2009, the city entered into the agreement to have the County administer these funds.

CA-5 – Resolution Requesting \$50,000 in Additional Funds for Barrier Busters Unmet Needs Fund for Direct Assistance to City of Ann Arbor Residents (8 Votes Required)

Question: How much money has been distributed through the Barrier Busters program most recently (whatever recent time frame is easiest to calculate)? What is the approximate timeframe between a request for help and financial grant/assistance? (Councilmember Nelson)

Response: The City of Ann Arbor contributes to Barrier Busters in two ways – annual contribution of \$20,000 to the unmet needs fund, and another \$5,000 from the water department along with a varying amount of donations to the water fund annually.

Water Fund

The water department Barrier Busters funds are intended to support low-income households avoid shutoff, and has been integrated with the water departments’ customer service. For example, when a tag is placed on a home indicating that there will be a shutoff, the tag lists the Barrier Busters number and indicates that we can provide

assistance. June, 30, 2019, was the last year that Washtenaw County Office of Community and Economic Development (OCED) received direct funds from the City's Water Department, and was the last year where donations were collected via mail. Approved funds are now applied immediately as credits to individual accounts.

We generally do maintain a balance in the Barrier Busters water fund, and have been able to carryover funds from year to year. Below is information on activity for this fund over the last three fiscal years. In those last 3 fiscal years, we have seen only one repeat customer.

FY18		FY19		FY20	
Households Assisted	7	Households Assisted	9	Households Assisted	11
Average	\$398.09	Average	\$322.24	Average	\$427.74
Total A2 Water Bill Credits Usage	\$2,786.63	Total A2 Water Bill Credits Usage	\$2,862.00	Total A2 Water Bill Credits Usage	\$4,705.18
Donations Forwarded	\$5,000.00 <i>(last year for mailed donations)</i>	Donations Forwarded <i>(Digital donation feature not yet active)</i>	\$0.00	Donations Forward <i>(digital donation active)</i>	\$10,000.00
Total Barrier Busters Funding from the City of Ann Arbor, Ann Arbor Assistance Fund	\$7,786.63	Total Barrier Busters Funding from the City of Ann Arbor, Ann Arbor Assistance Fund	\$2,862.00	Total Barrier Busters Funding from the City of Ann Arbor, Ann Arbor Assistance Fund	\$14,705.18

Unmet Needs Fund

The \$20,000 contribution for the overall unmet needs fund was spent down in the first quarter. As you likely saw on the Barrier Busters quarterly report, there was a sizable increase in requests from Ann Arbor City residents. In the first quarter, we expended \$54,729 to support City residents. To date for the second quarter, another \$14,990.86 has been spent.

Period	Requests	Amount
10/1/20 - 12/17/20	23	\$14,990.86
07/01/20-09/30/20	77	\$54,729.00
Totals	100	\$69,719.86
Average per household		\$697.20

Requests are processed usually within 2 business days, with standard deviation range of 1-3 days. In urgent cases, requests are approved the same day.

Question: The Ann Arbor City Council is set to raise water rates 2 times in the next 6 months at double the rate of inflation. When questions arise on the ability of Ann Arbor Area residents to continue to pay for increased costs to their utility bills, Barrier Busters often is the response we received from fellow colleagues and staff members. Could you please provide me with some important facts and figures within the next week to the following set of questions? Year over year changes in the following with the most recent

data available. Number of residents asking for financial assistance with paying their water bills? (Councilmember Ramlawi)

Response: Please see information above.

Question: The average amount requested in paying for their water bills? (Councilmember Ramlawi)

Response: Please see information above.

Question: Our current fund balance dedicated to the assistance in paying area residents utilities? (Councilmember Ramlawi)

Response: Please see information above.

Question: Are those asking for assistance, residual or infrequent? (Councilmember Ramlawi)

Response: Please see information above.

Question: Please include any other information that you believe relative to the requested information. (Councilmember Ramlawi)

Response: Please see information above.

CA-7 – Resolution to Approve Memorandum of Understanding (MOU) between the City of Ann Arbor and the University of Michigan for the Hubbard Road/Huron Parkway Stormwater Outlet Repair Project (\$154,000.00)

Question: I'd like a little more explanation as to how the cost percentages were assigned/negotiated so that UM pays 45% and the City pays 55%. How many UM properties are located in the vicinity of Huron Parkway and Hubbard? (Councilmember Nelson)

Response: This item has changed recently, and will be postponed to the next Council meeting (1/4/2021) to allow for complete review of the updated information. Since the item was submitted in Legistar for review, the project was put out to bid, and the contractor amount was higher than anticipated. In addition, the cost allocations were revised, based on additional project costs and allocations.

CA-8 – Resolution to Approve the Purchase of Two Vehicles from Gorno Ford (MiDeal Bid - \$93,926.00)

Question: I appreciate explanation that this purchase is for vehicles “new on the market.” What type of vehicles are these replacing and what would be the difference in cost for replacement with the same type of (rather than the “new on the market”) vehicle? (Councilmember Nelson)

Response: The vehicles being replaced are a Ford Taurus and a Chevrolet Impala. While replacing these vehicles with similar gasoline powered vehicles would not be consistent with the Green Fleets Policy or A2Zero Plan, the estimated costs for the Ford Taurus replacement would be \$33,700 and \$29,700 for the Chevrolet Impala. The purchase cost difference to convert these two vehicles to all electric is \$30,549.

CA-11 – Resolution to Adopt the Board of Review Guidelines for Poverty Exemptions from Property Taxation of Principal Residence Pursuant to MCL 211.7u

Question: I would like an explanation of: “If the homestead property assessed value exceeds 150% of the average assessed value of the residential class as determined by the Assessor, the poverty exemption will not be considered” and whether a specific number applies to properties across the city. (Councilmember Nelson)

Response: The Assessor’s Office is required to establish guidelines used for granting of poverty exemptions under MCL 211.7u(4). The guidelines include but are not limited to specific income and asset levels of the claimant and total household income and assets. The guidelines do not allow the assessor to include the market value of the claimant’s house when determining disposable assets. If the equity of the homestead is included as a disposable asset, it would require the Petitioner to sell his homestead or borrow against the equity to pay the taxes.

The guidelines, however, do allow local units to establish additional tests of poverty reasonably adopted by the local governing body. One such additional test utilized by the Assessor’s Office is if the homestead property assessed value exceeds 150% of the average assessed value of the residential class as determined by the Assessor, the poverty exemption will not be considered. The average assessed value is calculated by dividing the total market value of the residential class by the total number of residential parcels.

The calculations are shown in the chart below.

City of Ann Arbor					
Assessed Values calculated at the close of the March 2020 Board of Review					
Form L-4022 AV Real Property					
Residential Class	Parcel Count	Average Value	150% Factor	Adjusted Value	Market Value
\$ 5,416,161,500	28,754	\$ 188,362	150%	\$ 282,543	\$ 565,086

Based on the calculated market value in the chart above, a residential structure with a market value in excess of \$565,000 does not qualify for poverty. The policy of setting the maximum assessed value at 150% of the average assessed value has been practiced since 2007 by the Assessor's Office.

CA-13 – Resolution to Approve Amendment Number 1 to the Professional Services Agreement with Rosati, Schultz, Joppich, & Amtsbuechler P.C., for Legal Services Relative (\$180,000.00) to Hahn Litigation (8 Votes Required)

Question: What is the total sum that has been spent on legal services from Rosatti, Schultz, Joppich, & Amtsbuechler since 2018? Re: what legal issues/concerns were those professional agreements? (Councilmember Nelson)

Response: Total invoices paid to Johnson Rosati since 2018 is \$154,936.84. This includes litigation matters for the Trinitas litigation, Library Lot litigation and related issues, and a Michigan Tax Tribunal case.

Question: How much legal work can be done in terms of time and process will be performed under this current contract for a total of \$205? (Councilmember Ramlawi)

Response: The total amended contract amount is for defense costs for the remainder of this fiscal year. Because this litigation will continue beyond this fiscal year, the City will budget for defense costs for the next fiscal year and amendments to the contract to increase the amount will be presented for Council review as needed as the litigation proceeds in consultation with outside counsel and the City Attorney's Office.

CA-14 – Resolution to Approve Amendment Number 1 to the Professional Services Agreement with Rivenoak Law Group, P.C. for Legal Services Relative to Sustainability Initiatives (\$20,000.00). (6 Votes Required)

Question: Which Sustainability Initiatives require specialized legal experience and expertise more than what exists in our City's legal department? (Councilmember Nelson)

Response: The City has routinely used outside legal counsel for energy related matters due to the specialized substantive legal issues and administrative procedures involved in those matters, and these matters will continue to be handled by outside counsel. In addition, the City's adoption of the A2Zero Carbon Neutrality Plan and the initiatives involved in it, such as aggregating renewable energy production, specific renewable energy projects on city facilities and the various business and contractual components, the relationship between the City and its energy providers and the regulations relating to it, incentivizing individual behaviors through financial and regulatory means, and the measurement and use of energy production, consumption, and efficiency data, present numerous new and unique legal issues which require assistance from specialized outside legal counsel who have the resources, substantive legal expertise, and experience with

energy producers, regulators, industry groups, other municipal users, consumers and watchdog groups and the regulatory framework and environment those players all operate and interact in. These new sustainability matters raise many novel legal questions and concerns. The City Attorney's Office continues to work to improve its capabilities to serve the City's specialized energy and sustainability legal needs, but with the emergence of sustainability and climate resilience as City priorities needing specialized legal expertise, the City's interests, particularly its strategic policy and financial interests, are best served by continuing to use outside counsel who specialize in these areas and have them work cooperatively with the City Attorney's Office.

Question: What specific legal issues will this firm be analyzing for specific action items within A2Zero? (Councilmember Ramlawi)

Response: The City has routinely used outside legal counsel for energy related matters due to the specialized substantive legal issues and administrative procedures involved in those matters, and these matters will continue to be handled by outside counsel. In addition, the City's adoption of the A2Zero Carbon Neutrality Plan and the initiatives involved in it, such as aggregating renewable energy production, specific renewable energy projects on city facilities and the various business and contractual components, the relationship between the City and its energy providers and the regulations relating to it, incentivizing individual behaviors through financial and regulatory means, and the measurement and use of energy production, consumption, and efficiency data, present numerous new and unique legal issues which require assistance from specialized outside legal counsel who have the resources, substantive legal expertise, and experience with energy producers, regulators, industry groups, other municipal users, consumers and watchdog groups and the regulatory framework and environment those players all operate and interact in. These new sustainability matters raise many novel legal questions and concerns. The City Attorney's Office continues to work to improve its capabilities to serve the City's specialized energy and sustainability legal needs, but with the emergence of sustainability and climate resilience as City priorities needing specialized legal expertise, the City's interests, particularly its strategic policy and financial interests, are best served by continuing to use outside counsel who specialize in these areas and have them work cooperatively with the City Attorney's Office.

Question: Is this a rolling or continuous retainer? whereas the firm will be continuously be billing for doing work on behalf of A2Zero goals without renewing the contract? (Councilmember Ramlawi)

Response: This legal services agreement is structured as a monthly retainer for a set number of hours of legal services per month on sustainability matters which are regularly reviewed and prioritized based on communication and input from outside counsel, OSI, and the City Attorney's Office. Funding for the contract amounts as amended is budgeted for this fiscal year. OSI will budget for legal services for the next fiscal year and present amendments or new legal service contracts to Council for review.

Question: Have we contacted work with this law firm before? If so when and what for? (Councilmember Ramlawi)

Response: This legal services agreement is structured as a monthly retainer for a set number of hours of legal services per month on sustainability matters which are regularly reviewed and prioritized based on communication and input from outside counsel, OSI, the City Attorney's Office. Funding for the contract amounts as amended is budgeted for this fiscal year. OSI will budget for legal services for the next fiscal year and present amendments or new legal service contracts to Council for review.

B-2 – An Ordinance to Amend Section 2:63 of Chapter 29 (Water Rates) of Title II of the Code of the City of Ann Arbor

Question: I have raised concern with basing the rate tiers on the household unit without any adjustments for family size. This rate structure places an “unfair penalty” on larger families and discourages families from taking in another less fortunate family member(s) or friend(s). Can staff propose an adjustment for family size and what would be the costs and constraints? Would this request require a council resolution? (Councilmember Griswold)

Response: The proposed legislation makes no changes to the rate structure. An adjustment to the structure of this manner would require the completion of a new cost-of-service study. The new study would need to include collection of data, that is currently not available in our data set, from over 28,000 accounts, which would include collecting family size data. While we are sensitive to the financial constraints, especially during this time, we are unable to validate the impact the rate structure is having on households with a variety of sizes.

The costs are difficult to estimate; however, would include a cost-of-service study, that includes data collection and the ongoing costs of continually updating of this information. Constraints include, but are not limited to, further data collection, comprehensive structural changes to the rates, changes to customer service billing systems, and a new cost of service study.

C-2 – An Ordinance to Add a New Section to 5.19, Amend Sections 5.19.1, Table 5.19-1, in Section 5.19.2, Section 5.19.3, and Section 5.37.2.E, and to Add a New Section 5.19.11 of Chapter 55 (Unified Development Code) of Title V of the Code of The City of Ann Arbor (Electric Vehicle Parking)

Question: Regarding the EV ordinance. As written, it requires "development projects that request a Site Plan for CC approval." Am I correct in assuming that if Council decides to eliminate Council approval for some/all By Right projects, it would be easy to amend this requirement to extend it to projects that receive site plan approval from Planning Commission. (Councilmember Disch)

Response: Such an amendment could be considered in conjunction with any site plan review amendments.

C-3 – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 7.23 Acres from R1C (Single-Family Residential District) to PUD (Planned Unit Development District), Lockwood of Ann Arbor PUD Zoning and Supplemental Regulations, 2195 East Ellsworth (CPC Recommendation: Approval – 7 Yeas and 0 Nays)

Question: Regarding the Lockwood PUD. Would you please clarify the public benefit for the immediate public--i.e. the neighborhood in which the proposed project is to be located? (Councilmember Disch)

Response: The addition to providing 42 more units of affordable senior housing than are required has benefits to both the neighborhood and larger community. Additional public benefits include significantly more open space adjacent to the residential use to the east. This development concentrates and reduces the footprint of impervious surfaces, compared to a more conventional single family residential pattern of development. Proposed Improvements to pedestrian safety by installing sidewalk link to the east, the commitment to dark sky compliant lighting for exterior lighting fixtures, and a Natural Features Management Plan for the northern open space are all localized benefits of this proposal.

DC-1 – Resolution to Direct Amendments to City Code to Prospectively Apply Locational Restrictions to Short Term Rentals

Question: Regulation for short term rentals was initiated by Council resolution on March 18, 2019 and on August 5, 2019 the City Administrator reported that recommendations and options would be coming in “90-180 days.” Development of the ordinance was approved again on January 6, 2020 and specific terms of the ordinance were on the Council agenda August 6, 2020 (postponed) before the ordinance was approved finally on September 8, 2020. Which date would staff consider operative in measuring “prior to specific regulation”? Also in terms of timeline, which date would be operative in defining “pre-existing short-term rentals”? When this issue was studied by the consultant, how many housing units in the city were estimated to be dedicated-full-time non-owner occupied STR’s? (Councilmember Nelson)

Response: The reference to prior to specific regulation was referring to the City’ Short Term Rental ordinance approved on September 8, 2020. The date that would be operative regarding whether a short-term rental was preexisting will be dependent on the specific recommendations from staff and the Planning Commission if this resolution is approved.

The consultant did not provide a specific estimate of the number of full-time non-owner occupied STRs.

Question: How does staff purport to be able to identify exact dwellings in Single Family Zoning for in the case of DC-1? What methodologies will be practiced? (Councilmember Ramlawi)

Response: Staff will not be able to identify exact dwellings until the registration process begins.

Question: As of our last best estimates, how many STR's operate in Single Family Zoning? (Councilmember Ramlawi)

Response: Staff estimates that the majority of the ~1,400 short term rentals operate in single family zoning districts.

Question: Have there been any other historical precedents of granting Exceptions for business activities to be conducted in areas of Single Family Zoning? If so, what are they? (Councilmember Ramlawi)

Response: The proposed process will not create exceptions, it will identify eligible properties as legally existing nonconformities and allow them to remain in use until a change in use brings them into compliance with current code. It is a common practice when changes in use or dimensional requirements create nonconformance though no action of the owner.

Question: What segment of our housing market have been the most impacted and or targeted by STR's in Single Family Zoning? (Councilmember Ramlawi)

Response: Staff presumes that single family residential properties are most impacted and or targeted for use as STRs.

Question: Have any other of our peer community's approached the "grandfathering-in" of STR's within areas of Single Family Zoning? (Councilmember Ramlawi)

Response: Staff will have to do additional research to determine this answer. It is not an uncommon practice in these types of situations, but it would be highly dependent on a community's proposed and existing ordinances.