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TO: Mayor and Council

FROM: Sumedh Bahl, Community Services Area Administrator  
Tom Crawford, CFO  
Jennifer Hall, Director, Ann Arbor Housing Commission  
Sara Higgins, Assistant to City Administrator  
Brett Lenart, Interim Director, OCED  
Colin Smith, Parks & Recreation Director

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 8/6/15

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**CA-8 – Resolution to Approve Contract with Saladino Construction Company, Inc. to Provide Barrier Free Access to the Bandemer Park Rowing Docks for \$68,734.00 and Appropriate Funds (8 Votes Required)**

**Question:** Has the Disabilities Commission been consulted on design?  
(Councilmember Warpehoski)

**Response:** The Disabilities Commission was not consulted in this instance. The rowing dock is an existing structure that required architectural modifications in order to comply with the Americans with Disabilities Act. The City Building Official and the State Barrier Free Design Board were consulted on the ramp design and an engineering firm produced the construction documents.

**Question:** The cover memo indicates that the Huron and Pioneer rowing teams are housed at Bandemer Park. Does AAPS reimburse the City for using the facility (presumably they store their equipment on-site) or are they contributing at all to the \$75K for these improvements? (Councilmember Lumm)

**Response:** The improvements are funded through the Bandemer Fund. The Ann Arbor Rowing Club (AARC) has an agreement with the City to rent the boathouse at Bandemer Park. The agreement allows for AARC to sublet the boathouse to the Huron and Pioneer rowing teams. AARC then pays a monthly rental fee to the City which is deposited in the Bandemer Fund to enable projects such as this.

**DC-1 – Resolution to Appoint Two New Citizen Trustees and Restate the Terms of Appointment for the Trustees of the Employee Retirement System (7 Votes Required)**

**Question:** Could you please also provide the resume or information on Ms. Lynch? (Councilmember Lumm)

**Response:** Documents have been added to Legistar.

**DC-2 – Resolution for Community Events Fund Disbursements from the FY2016 Budget**

**Question:** After all these allocations, how much (if anything) is left in the Community Events budget for FY16? (Councilmember Lumm)

**Response:** \$1,000.

**DB-1 – Resolution to Approve South Pond Village Site Plan and Development Agreement, 3850 East Huron River Drive (CPC Recommendation: Denial – 2 Years and 6 Days)**

**Question:** The original and revised plans indicate Algebe Way is proposed as a full, vs. emergency only, connection to address the Fire Dept's concerns. Reasons cited for requiring a full connection which would not permit bollards cite access issues for snow plows and the potential for blockage created by snow banks. I note that for the 2250 AA Saline Rd. site plan, similar issues and concerns were raised about snow management at a road designated as emergency access only, and it's my understanding this was addressed by developing an agreement to require the condominium assn. to keep a proposed locked and gated emergency access only road clear of snow and ice. Additionally, the Planning Commission suggested, alternatively, that the road could be designed so it looks like a sidewalk but acts like a road (to support a Fire Truck weight requirement). Have these options been considered for South Pond Village and specifically for the Algebe Way connection? If not, why not, and, if so, what was the conclusion? (Councilmember Lumm)

**Response:** The Fire Marshal is unavailable today, however Planning staff has gathered the following information regarding emergency access options from previous discussions with Fire Department staff.

- Regarding emergency access to the 2250 Ann Arbor-Saline Road project, one key difference is that the building at 2250 Ann Arbor- Saline Road will be a fully suppressed apartment building, and the single-family homes proposed for South Pond Village are not required to include fire suppression. This fact, combined with the fact that the South Pond Village north road connection to Huron River Drive would be approximately 880 feet long, makes full access to Algebe Way even more important.
- If the Algebe Way full access is changed to an emergency only access, the Fire Marshal has stated that a boulevard must be provided at the Huron River Drive entrance to prevent a single incident from preventing public ingress/egress to the site. A boulevard entrance will have a significantly greater impact on the wetlands adjacent to the road. As an example, the boulevard entrance of Woodcreek is 77 feet wide, including a 20 foot center island and 5 foot wide sidewalk. The single drive entrance to South Pond Village from Huron River Drive currently is proposed at 32 feet wide, including an 8 foot wide sidewalk along the edge of pavement.
- If the Algebe Way becomes an emergency only access, the most direct route for the district fire apparatus would be through the entire length of Chalmers Drive, approximately  $\frac{3}{4}$  of a mile of dirt road, which reduces fire truck speeds by half.

For all of these reasons, the Fire Marshal has indicated that the original access road off Chalmers Drive is preferred.

**Question:** On a related street design/use Q, one issue neighbors have raised that I also brought up previously (in a separate email Q to staff) relates to the City's street design standards. Specifically, Algebe Way is 28' wide and, as we understand it, City standards are that roads of that width can only be a "local road" or "minor road", and with that designation, there is a maximum limit of 75 on the number of dwelling units served. With access to South Pond through Algebe Way/Meadowside/Woodcreek Blvd., the number of units would be much higher than that which would be in violation of the standards. Can you please confirm that the neighbors (and my) understanding and interpretation of this is correct? (Councilmember Lumm)

**Response:** Algebe Way was designed and constructed to the local street standard width of 28 feet because this roadway was envisioned to be a secondary road connection between the Woodcreek neighborhood and the future development on the South Pond site, and would potentially serve the easterly portion of the Woodcreek neighborhood (approximately 40 – 50 dwelling units) for access to the east and north, depending on the easterly parcel's (South Pond) development layout. The primary access point for the South Pond Village development would be through the new extended Woodcreek Boulevard (or South Pond Way on the newly submitted alternative plan), and not through Algebe Way.

**Question:** The original site plan proposed a possible City purchase of the northern 12 acres, and the City initiated a land division for this purpose. What is contemplated in the alternative site plan(s) in terms of preservation of this area – e.g., City purchase or developer donation/set aside, etc.? (Councilmember Lumm)

**Response:** As part of the original South Pond Village site plan, the petitioner submitted a land division request to split off the north 12 acres of the site. The petitioner initiated discussions with the City's Land Acquisition program about selling these 12 acres to create an expansion of South Pond Nature Area. These discussions currently are on hold. The petitioner's alternative site plan, dated 7/29/15, uses a significant portion of these 12 acres for the north access road and detention facilities. The petitioner has not contacted the City's Land Acquisition program about this new configuration, and staff has not reviewed whether the remaining portion of wetland in this area is suitable for purchase/donation.

**DB-2 – Resolution to Amend FY 2016 Budget Transfer \$450,000.00 from the Ann Arbor Affordable Housing Fund to the Ann Arbor Housing Commission for the Swift Lane Project (HHSAB Recommendation: Approval – 9 Yeas and 0 Nays) (8 Votes Required)**

**Question:** What will be the net effect of the number of units in the AAHC's portfolio as a result of these projects? (Councilmember Warpehoski)

**Response:** The net effect for Swift Run is an increase of 32 apartments from 32 apartments for a total of 64 apartments for households at 60% AMI or less with 25% of the units reserved for special needs households at 30% AMI or less. 32 apartments will be visitable and 7 apartments will be fully accessible.

**Question:** What is current fund balance of Affordable Housing Fund? (Councilmembers Warpehoski and Lumm)

**Response:** The current fund balance is \$497,278.00

**Question:** If this \$450K transfer uses all (or most) of it, can you please provide the rationale for doing that and what other projects (if any) may be adversely impacted?

**Response:** The primary sources of funding for these two properties are from Low Income Housing Tax Credits. The Commission is applying for LIHTC in October 2015 which is a competitive process. If the project is awarded LIHTC, then the project must sell those tax credits to an investor. The Commission is projecting that \$11,186,598 will be generated from selling the tax credits. The Commission will not know the actual value of those tax credits until the spring of 2016 – it could be more or less than projected. The second largest source of funding is a \$1.8 million mortgage which is the maximum debt that the project can support with a 1.25 debt coverage ratio.

That leaves a gap of \$1,500,834 that must be filled with grant sources. The primary sources of grants are: The AAHTF, the Federal Home Loan Bank, HOME and CDBG from the County and the Housing Commission's HUD funds. The Housing Commission is applying for a \$500,000 grant (max. allowed) from the Federal Home Loan Bank in May 2016. The Commission is applying the max available in CDBG/ HOME funds from

the County on or around January 2016. Congress has proposed a 90% budget cut to HOME funds so there may only be \$100,000-\$200,000 available from HOME funds and there is typically less than \$200,000 available in CDBG funds. All of these grants are competitive so there is no guarantee that the AAHC will be awarded any of these funds.

**Question:** Other than the Library Lot (if/when that happens), are there any other likely sources of revenue to the Affordable Housing Fund over the next couple of years? (Councilmember Lumm)

**Response:** The City General Fund has provided \$100,000 to the Affordable Housing Fund. For FY 2016 the \$100,000 has been committed to the Housing Commission. Impacts to other projects are unknown at this time, but Avalon Housing is pursuing some acquisition in the City, and the ultimate development of the County's Platt Road property could be potential projects for which available dollars are allocated. There are no other applications for funds under consideration at this time however.

**Question:** Given that this \$450K transfer represents just 3% of the total project costs/funding, is there an opportunity to increase the other funding sources slightly to reduce this grant amount (say to \$200K-\$250K) or is this the minimum amount of local "equity" that you feel is necessary to get the deal done or to keep the project financially viable longer-term? (Councilmember Lumm)

**Response:** Please see answer above. The Housing Commission would have to fill any remaining budget gap with its own funds. Therefore, any reduction in funding from the City will have to be off-set by using funds from the AAHC. The AAHTF funds are critical for the short and long-term viability of the project.