

City of Ann Arbor

301 E. Huron St.

Ann Arbor, MI 48104

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Meeting Minutes

Tuesday, May 1, 2018

5:00 PM

Special Session

**Larcom City Hall, 301 E Huron St, Second floor, City Council
Chambers**

City Council

CALL TO ORDER

Mayor Taylor called the Special Session of the Ann Arbor City Council to order at 5:00 p.m. in the Guy C. Larcom, Jr. Building, 2nd Floor Council Chambers, 301 E. Huron Street.

READING OF ORDER AND NOTICE OF CALL OF SPECIAL SESSION

City Clerk Jacqueline Beaudry read the notice and order of Special Session:

Notice is hereby given that a special session of the City of Ann Arbor City Council will be held on Tuesday, May 1, 2018 at 5:00 p.m. in the Council Chambers, 2nd floor of the Guy C. Larcom Jr. City Hall Building, 301 E. Huron St., for the following purpose:

- Closed Session under the Michigan Open Meetings Act for pending litigation and written attorney client privileged communication set forth or incorporated in MCLA 15.268 (e) and (h).*

Open Session:

- Resolution to Amend the Budget and Appropriate Fund not to exceed \$4,200,000.00 from the General Fund Balance to Effect the City's Ownership of 350 South Fifth Avenue (\$4,200,000.00) (8 Votes Required) (Postponed from the 4/2/18, 4/16/18 and 4/23/18 regular and special sessions of Council.)*
- Resolution Authorizing Notice and Issuance of General Obligations Bonds - 350 South Fifth Avenue (6 Votes Roll Call) (Postponed from the 4/2/18, 4/16/18 and 4/23/18 regular and special sessions of Council.)*
- Resolution of Intent Regarding 350 S. Fifth Avenue ("Y Lot") (6 Votes Roll Call) (Postponed from the 4/23/18 special session of Council.)*

Any other business may be acted upon only with unanimous consent of Council.

MOMENT OF SILENCE

Council stood for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Taylor led Council in the recitation of the Pledge of Allegiance.

ROLL CALL OF COUNCIL

- Present:** 9 - Councilmember Jane Lumm, Councilmember Jack Eaton, Mayor Christopher Taylor, Councilmember Julie Grand, Councilmember Graydon Krapohl, Councilmember Kirk Westphal, Councilmember Zachary Ackerman, Councilmember Chip Smith and Councilmember Anne Bannister
- Absent:** 2 - Councilmember Sumi Kailasapathy and Councilmember Chuck Warpehoski

APPROVAL OF AGENDA

A motion was made by Councilmember Lumm, seconded by Councilmember Westphal, that the Agenda be approved with the following changes:

**Move Public Comment to before Motions and Resolutions
Move Closed Session before Motions and Resolutions**

On a voice vote, the Mayor declared the motion carried.

PUBLIC COMMENT - GENERAL (3 MINUTES EACH)

Sam Copi, 818 Henry, asked that Council provide more clarity regarding income and rent requirements when discussing the Y Lot.

Sharon Ongaro, 506 Pauline Blvd., expressed the need for more affordable housing in Ann Arbor and urged Council to develop affordable housing on the Y Lot.

Patti Smith, Ward 3 resident, spoke in support of affordable housing in Ann Arbor and asked that Council vote for work force and affordable housing and buy back the Y Lot.

Margaret Cruize, Ann Arbor resident, said that Ann Arbor has no emergency shelter and to bring back affordable housing on the Y Lot.

Hawthorne Stabler, resident of Oakland County, spoke about the need for more affordable housing in Ann Arbor, stating she can't afford to live here.

Amory Jhou, resident, spoke in support of affordable housing and urged Council to buy back the Y Lot.

(Councilmembers Kailasapathy and Warpehoski arrived at 5:14 p.m.)

Danielle Hoover, social worker in Washtenaw County, spoke in support of affordable housing and urged Council to buy back the Y Lot.

Jordan Adams, Ann Arbor resident, spoke in support of affordable housing.

Sandi Smith, 1st Ward resident and former Councilmember, spoke about the rising cost of housing in Ann Arbor and urged Council to take action to make housing more affordable for the work force.

A Ward 2 resident spoke in support of affordable housing.

A Northside resident spoke in support of affordable housing.

Sakinah Rahman, Young Citizen of the Year, and her twin sister, spoke on behalf of Ozone House and Youth House of Washtenaw County, and addressed Council regarding affordable housing.

Ricky Jefferson, Washtenaw County District 6 of Ypsilanti Township, said that people from his district are concerned about affordable housing in the area and urged Ann Arbor to support affordable housing for the entire region.

Ramon Williams, representing Ozone House, said that it is going to take more than the purchase of the Y Lot to help with affordable housing, but urged Council to make this first step.

Karen Lovejoy Roe, Ypsilanti Township Clerk, spoke about affordable housing and the need for transportation networks in the entire community, stating working people need to be able to get to the job centers.

A resident of Ypsilanti spoke in support of the buyback of the Y Lot.

Wendy Carty-Saxon, Real Estate Director of Avalon Housing, said that the biggest challenge is finding land and gaining site control for affordable housing. Ms. Carty-Saxon said that she was in support of purchasing the Y Lot.

Jing Stiller, Ypsilanti resident, spoke in support of affordable housing.

Thaddeus Jabzanka, Ann Arbor resident and HHSAB chair, said that there is no reason to vote no on the purchase of the Y Lot and this should not be a political decision.

Andrew Stumpff, 618 S. Ashley, said that it would be irresponsible for City Council to vote no on the purchase of the Y Lot.

Phil Bianco, Ward 4 resident, spoke in favor of repurchasing the Y Lot with rental caps. He stated 150% of AMI is too high.

Greg Pratt, Ward 3 resident and a HHSAB board member, thanked Council for meeting to discuss the purchase of the Y Lot and spoke in support of the proposed Resolution of Intent.

Jaime Magiera, Ward 4 resident, spoke about transportation issues and environmental concerns.

An unidentified Ypsilanti City resident urged Council to be a leader in affordable housing for the region.

Stephanie Mercier, Ward 4 resident, encouraged Council to support affordable housing and to buy back the Y Lot.

Bo Kepp, a Huron High School student, said the purchase of the Y Lot is an opportunity for Council to improve the way a lot of people live in Ann Arbor.

Present: 11 - Councilmember Jane Lumm, Councilmember Sumi Kailasapathy, Councilmember Chuck Warpehoski, Councilmember Jack Eaton, Mayor Christopher Taylor, Councilmember Julie Grand, Councilmember Graydon Krapohl, Councilmember Kirk Westphal, Councilmember Zachary Ackerman, Councilmember Chip Smith and Councilmember Anne Bannister

CLOSED SESSION UNDER THE MICHIGAN OPEN MEETINGS ACT TO DISCUSS PENDING LITIGATION AND ATTORNEY/CLIENT PRIVILEGED COMMUNICATIONS SET FORTH OR INCORPORATED IN MCLA 15.268 (E), AND (H).

A motion was made by Councilmember Westphal, seconded by Councilmember Lumm, that Council enter into Closed Session

under the Michigan Open Meetings Act to discuss pending litigation and attorney/client privileged communications set forth or incorporated in MCLA 15.268 (E), and (H). On a roll call, the vote was as follows with the Mayor declaring the motion carried and the meeting adjourned in Closed Session at 5:56 p.m.:

Yeas: 11 - Councilmember Lumm, Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 0

MEETING RECONVENED

A motion was made by Councilmember Grand, seconded by Councilmember Lumm, that the meeting reconvene. On a voice vote, the Mayor declared the motion carried and the meeting reconvened in Open Session at 6:36 p.m.

D MOTIONS AND RESOLUTIONS

DC Unfinished Business - Council:

DC-1 18-0719 Enactment No:

A motion was made by Councilmember Ackerman, seconded by Councilmember Grand, that the Resolution be approved.

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No:

Amended

A motion was made by Councilmember Ackerman, seconded by Councilmember Warpehoski, that the Resolution be amended as follows:

2nd RESOLVED Clause:

...• The Developer will maximize the number of affordable and workforce housing units with a maximum of [150]110% of Fair Market Rent as defined by the US Department of Housing and Urban Development...

Note: [] Bracket indicated deleted language.

On a roll call, the vote was as follows with the Mayor Taylor declaring the motion carried:

Yeas: 9 - Councilmember Kailasapathy, Councilmember Warpehoski, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 2 - Councilmember Lumm and Councilmember Eaton

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No: Postponed

A motion was made by Councilmember Warpehoski, seconded by Councilmember Kailasapathy, that the Resolution be postponed to the City Council, due back on 5/7/2018. On a roll call, the vote was as follows with the Mayor declaring the motion defeated:

Yeas: 4 - Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton and Councilmember Bannister

Nays: 7 - Councilmember Lumm, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman and Councilmember Smith

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No: Amended

A motion was made by Councilmember Eaton, seconded by Councilmember Kailasapathy, that the Resolution be amended as follows:

Amend Second RESOLVED Clause by adding a new fifth bullet point:

...• THE DEVELOPER WILL INCLUDE AT LEAST 50 UNITS OF SINGLE ROOM OCCUPANCY HOUSING THAT WILL BE AFFORDABLE TO AN INDIVIDUAL WHO EARNS NO MORE THAN 40% OF THE AREA MEDIAN INCOME AS DEFINED BY THE US

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ...

Note: All CAPS indicate new language.

On a roll call, the vote was as follows with the Mayor declaring the motion defeated:

Yeas: 4 - Councilmember Kailasapathy, Councilmember Eaton, Councilmember Krapohl and Councilmember Bannister

Nays: 7 - Councilmember Lumm, Councilmember Warpehoski, Mayor Taylor, Councilmember Grand, Councilmember Westphal, Councilmember Ackerman and Councilmember Smith

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No: Amended

A motion was made by Councilmember Eaton, seconded by Councilmember Kailasapathy, that the Resolution be amended as follows:

...RESOLVED, if the City fails to reach an agreement to create a project that includes affordable housing (e.g. land lease) within [48]60 months of the City exercising its rights in the Property, then the prior three Resolved clauses will expire; and ...

(Change 48 months to 60 months)

On a roll call, the vote was as follows with the Mayor declaring the motion defeated:

Yeas: 5 - Councilmember Lumm, Councilmember Kailasapathy, Councilmember Eaton, Councilmember Ackerman and Councilmember Bannister

Nays: 6 - Councilmember Warpehoski, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal and Councilmember Smith

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No: Amended

A motion was made by Councilmember Eaton, seconded by Councilmember Ackerman, that the Resolution be amended as

follows:

Add new RESOLVED Clause:

RESOLVED, IF THE CITY CONCLUDES THE SALE OF THE DEVELOPMENT RIGHTS AT 319 S. FIFTH AVENUE TO CORE SPACES AS AUTHORIZED ON APRIL 17, 2017, \$5 MILLION FROM THE SALE PRICE WILL BE USED TO FUND AFFORDABLE HOUSING AND THE REMAINDER OR THE SALE PROCEEDS WILL BE USED TO RETIRE ANY DEBT INCURRED IN THE PURCHASE OF THE PROPERTY AT 350 S. FIFTH AVENUE.

ALL CAPS indicates new language.

On a roll call, the vote was as follows with the Mayor declaring the motion carried:

Yeas: 10 - Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 1 - Councilmember Lumm

Resolution of Intent Regarding 350 S. Fifth Avenue

18-0719 Enactment No: R-18-173 Approved as Amended

The question being, the motion made by Councilmember Ackerman, seconded by Councilmember Grand, that the Resolution be approved as amended, on a roll call, the vote was as follows with the Mayor declaring the motion carried:

Yeas: 10 - Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 1 - Councilmember Lumm

Resolution of Intent Regarding 350 S. Fifth Avenue

DC-2 18-0552 Enactment No: R-18-140 Approved

A motion was made by Councilmember Ackerman, seconded by

Councilmember Grand, that the Resolution be approved. On a roll call, the vote was as follows with the Mayor declaring the motion carried:

Yeas: 11 - Councilmember Lumm, Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 0

Resolution to Amend the Budget and Appropriate Funds Not to exceed \$4,200,000.00 from the General Fund Balance to Effect the City's Ownership of 350 South Fifth Avenue **(\$4,200,000.00) (8 Votes Required)**

DC-3 18-0554 Enactment No:

A motion was made by Councilmember Ackerman, seconded by Councilmember Smith, that the Resolution be approved.

Resolution Authorizing Notice and Issuance of General Obligation Bonds - 350 South Fifth Avenue **(6 Votes Roll Call)**

18-0554 Enactment No: Lay on the table

A motion was made by Councilmember Warpehoski, seconded by Councilmember Smith, that the Resolution be tabled. On a roll call, the vote was as follows with the Mayor declaring the motion carried:

Yeas: 11 - Councilmember Lumm, Councilmember Kailasapathy, Councilmember Warpehoski, Councilmember Eaton, Mayor Taylor, Councilmember Grand, Councilmember Krapohl, Councilmember Westphal, Councilmember Ackerman, Councilmember Smith and Councilmember Bannister

Nays: 0

Resolution Authorizing Notice and Issuance of General Obligation Bonds - 350 South Fifth Avenue **(6 Votes Roll Call)**

ADJOURNMENT

A motion was made by Councilmember Warpehoski, seconded by Councilmember Lumm, that the meeting adjourn. On a voice vote, the Mayor declared the motion carried and the meeting adjourned at 7:28 p.m.

COMMUNITY TELEVISION NETWORK (CTN) CABLE CHANNEL 16:

LIVE: TUESDAY, MAY 1, 2018 @ 5:00 P.M.

REPLAYS: WEDNESDAY, MAY 2, 2018 @ 8:00 A.M. AND FRIDAY, MAY 4, 2018 @ 8:00 P.M.

REPLAYS SUBJECT TO CHANGE WITHOUT NOTICE

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Live Web streaming or Video on Demand: <https://a2ctn.viebit.com>

Cable: Comcast Cable channel 16 or AT&T UVerse Channel 99

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**City Clerk's Office
301 E. Huron St.
Ann Arbor, MI 48104**

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