



## Legislation Text

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**File #:** 18-1433, **Version:** 1

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Resolution to Approve Budget Adjustment for Ann Arbor Housing Fund and Appropriate \$100,000.00 to the Ann Arbor Housing Commission for an Emergency Sewer Repair at Broadway Terrace (**8 Votes Required**)

The Housing and Human Services Advisory Board (HHSAB) met on August 9, 2018 and reviewed an application by the Ann Arbor Housing Commission. The Board passed a resolution to recommend that City Council approve a budget adjustment to allocate \$100,000 to the Ann Arbor Housing Commission for an Emergency Sewer Repair at Broadway from the City's Affordable Housing Fund.

Broadway is a 20-unit public housing property consisting of three separate buildings. Broadway was built in 1956 and acquired by the AAHC in the 1970's. Broadway is the last property left to redevelop under the HUD RAD program. The plan is to redevelop Broadway in 2020. The buildings' physical structure, including the roofs, are in good condition, but the buildings need extensive upgrades including windows, water lines, sewer lines, insulation, fixtures, flooring, doors, and cabinets. The total development costs are expected to be between \$1.5 million to \$2.5 million. However, the sewer collapse necessitates an emergency sewer replacement now instead of waiting until 2020.

After receiving several calls from tenants regarding sewer back-ups, the AAHC contacted Horton's plumbing to send a camera into the sanitary sewer to see what was causing the ongoing problem. The camera revealed that most of the cast concrete sewer pipe running the 100 foot length of the 1508 building had either partially collapsed or was crumbling and about to collapse. The sewer line runs underground beneath the concrete slab floor of the first floor apartments.

The concrete floors must be cut into in order to dig out and replace the sewer line. In addition, due to the poor condition of the vertical sewer pipes running to the apartments above, all of the sewer lines in the building should be replaced. The copper water lines have also had frequent leaks that have been repaired as needed. While the floors and walls are cut-open to replace the sewer lines, the AAHC will also replace the water lines, add insulation to the walls, and replace the electrical wires and breaker boxes to bring them up to code. Completing a full renovation now in building 1508 instead of waiting until 2020 will save money and will only require tenants to be displaced once. Tenants must be temporarily relocated during construction because they will not be able to use their kitchens or bathrooms.

Due to the condition of the 1508 building, Hortons also ran cameras down the sewer lines at the 1504 and 1506 buildings and found that these sewer lines are in good condition. However, the laundry room in 1506 is connected to the sanitary sewer line in 1508 and it is likely that detergents, bleach and other caustic laundry materials caused the cast iron pipes in 1508 to deteriorate. The sanitary sewer line from the laundry room in 1506 and the sanitary sewer line in 1508 will both be dug up and replaced with PVC.

The total cost to replace the water & sewer lines and restore the eight apartments at 1508 Broadway is estimated to be \$350,000. The AAHC has \$50,000 in capital reserves that it will utilize.

The AAHC filed an insurance claim, which was rejected because the insurance company determined that the sewer collapsed due to its natural life span not an unnatural event.

Prepared by: Teresa Gillotti, Interim Director Office of Community and Economic Development

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Ann Arbor Housing Commission (AAHC) owns Broadway Terrace, a 20-unit housing project built in 1956 with a collapsed underground sewer pipe in building 1508;

Whereas, The copper water pipes are also in poor condition and need to be replaced;

Whereas, The cost to replace all of the sewer and water lines and restore the eight apartments at 1508 Broadway is estimated to be \$350,000.00;

Whereas, At its August 9, 2018 meeting, the Housing and Human Services Advisory Board (HHSAB) reviewed the AAHC application for the Affordable Housing Fund and recommended that City Council approve a budget adjustment to allocate \$100,000.00 to the Ann Arbor Housing Commission for an Emergency Sewer Repair at Broadway; and

Whereas, The Ann Arbor Housing Fund currently has an unassigned balance of \$113,000.00;

RESOLVED, That City Council approve an appropriation of \$100,000.00 from the Affordable Housing Fund to the AAHC for sewer replacement at Broadway Terrace, with funds to be available without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take all appropriate actions to implement this resolution.