



APPROVED

**CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, JANUARY 21, 2014
7:00 p.m.**

I. CALL TO ORDER –

The meeting was called to order at 7:12 p.m.

II. ROLL CALL –

Council Member Jefferson	Present	Council Member Robb	Present
Council Member Moeller	Absent	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Present		

Mayor Pro-Tem Richardson moved, supported by Council Member Jefferson, to excuse the absence. On a voice vote, the motion carried.

III. INVOCATION –

The Mayor asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS –

Mayor Schreiber introduced City Attorney John Barr, Assistant City Attorneys Dan DuChene and Jesse O'Jack, Assistant to the City Manager Ericka Savage, Mark McNamara & Ken Early from OHM, Public Services Director Stan Kirton, Community Development Director Teresa Gillotti, Ypsilanti Housing Commission Executive Director Zachary Fosler, Former Mayor Cheryl Farmer, and Vicki Vaughn from Chesapeake Community Advisors.

Mayor Pro-Tem Richardson introduced Vanzetti Hamilton Bar Association President Robyn McCoy.

VI. AGENDA APPROVAL –

On a voice vote, the agenda was approved.

VII. PRESENTATION –

1. Prospect Street Project – City Manager Ralph Lange, Public Services Director Stan Kirton and Mark McNamara, OHM

SUMMARY & BACKGROUND:

The Prospect Road project is currently slated for construction during the 2015 construction season. Federal Surface Transportation Urban funds have been appropriated for this project through the City of Ypsilanti by WATS. The scope of this project is approximately 7,150 linear feet that will include, but not be limited to, full depth pavement removal and replacement, full reconstruction and 2.5" mill in overlay.

The total project cost is estimated to be approximately \$1,482,000, the City share is estimated to be \$566,800 and the federal aid share is estimated to be \$915,200. The amount of federal aid funds expected to be available for this project in 2015 is \$895,000. The cost of the City's share will be spread out over three budget years FY 2014, FY2015, and FY2016.

After the presentation and discussion, Council agreed to take action on the resolution.

Resolution No. 2014-028, directing city staff and OHM to take all necessary steps to proceed with and improve Prospect Road from Holmes Road to Grove Road.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Prospect Road is in need of repair and reconstruction, and:

WHEREAS, this work needs to be done as soon as financially feasible, and;

WHEREAS, the soonest the necessary amount of federal aid dollars will be available to the City of Ypsilanti to proceed with this project will be in fiscal 2015, and:

WHEREAS, the repair and reconstruction of Prospect Street is a very high priority project for City Council to see completed, and;

WHEREAS, many positive advantages will accrue to the City if this project is designed and completed in FY 2015, and;

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the City staff and OHM to take all the necessary steps to proceed with and improve Prospect Road from Holmes Road to Grove Road

OFFERED BY: Council Member Murdock

SUPPORTED BY: Mayor Pro-Tem Richardson

On a roll call, the vote to approve Resolution No. 2014-028 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Absent	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Yes

Mayor Pro-Tem Richardson Yes

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

2. Water Street Multi-Family Development Project – Community Development Director Teresa Gillotti and Michael Rodriguez of Herman and Kittle Properties, Inc. (*Added*)

The Herman Kittle Properties (HKP) is proposing a \$12 million, 76 unit multi-family brick-facade apartment building on approximately 3.14 acres located southeast of the proposed River and South streets intersection of the Water Street Redevelopment Area. They are requesting approval of a 6-month Letter of Intent to proceed with due diligence and potential purchase of 3.14 acres on with a goal to begin construction by October 2014. The purchase price would be \$50,000/acre due to large up-front investment in infrastructure for the site.

Mr. Rodriguez gave the company background and stated that Herman Kittle has over 100 properties in the Midwest and has never sold a property. He said the company is targeting demographics that need the housing and the demand is present in Ypsilanti.

Ms. Gillotti discussed with Council the infrastructure plan, building façade, investment, financing and timeline, project timeline, comparable development and next steps.

Letter of Intent Summary:

Location:	SE block of proposed River and South Street extensions
Building size:	Approx 105,882 square feet in single building
Use:	Multi-family apartment units ranging from 1-4 bedrooms
Investment:	Approx: \$12.1 million total with vertical improvements estimated at \$10 million
Purchase Price:	\$50,000 per acre or \$157,000, reduced in lieu of significant infrastructure contribution.

Staff has been working with developer on the form of the building and a conceptual site plan corresponding to the Shape-Ypsi Master Plan and the zoning guidelines for the site. Key features include:

Orientation:	Building is oriented to front on River Street and the Huron River
Access:	River, South Street and portion of Lincoln to be built by Developer to City standards including on-street parking
Utilities:	Oversized water and sewer lines expected to pull from Michigan Ave. to the site, providing for future development, paid for by the developer
Façade:	Brick facade with larger glass windows on first floor conforming to

master plan design standards

Parking: Exceeds requirements in place by city

Council Member Vogt said he viewed the property in Jackson and the windows looked cheap and the railings didn't match. He said he would like to see better quality windows and a maintained quality exterior in the proposed development. He said it is important to have quality because it will influence what comes next and he would like it to fit in with an upscale neighbor.

Mr. Rodriguez said the Jackson property was much older and is not comparable to what is being proposed in Ypsilanti.

VIII. ORDINANCES – FIRST READING –

Ordinance No. 1209

1. An ordinance entitled, "An ordinance to enter into an option to purchase agreement with the New Parkridge LDHA Limited Partnership for the sale of all remaining city-owned low income housing projects (Parkridge Homes)".

A. Resolution No. 2014-014, determination (1:08:45)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "An ordinance to enter into an option to purchase agreement with New Parkridge LDHA Limited Partnership for the sale of the city-owned Parkridge low income housing project (Parkridge)" be approved on First Reading.

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Council Member Vogt

Community Development Director Gillotti provided an overview of the ordinance. Assistant City Attorney Dan Duchene, Housing Commission Executive Director Zachary Fosler, and Chesapeake Community Advisor Representative Vicki Vaughn were presented to clarify issues and answer questions.

(Powerpoint presentation on file in Clerk's Office)

BACKGROUND:

The Ypsilanti Housing Commission, in partnership with the Chesapeake Community Partners, is pursuing a pilot program through Housing and Urban Development department's Rental Assistance Demonstration (RAD) project to providing low-income housing that guarantees rental assistance to families through project-based (site specific) housing vouchers, allows ownership to transfer to a public/private partnership, and provides the opportunity for private investment to assist in rehabilitation, or as in this proposal, redevelopment of quality affordable housing.

This program marks a change for HUD, who has traditionally supported Housing Commissions with operating funds and improvement grants at various times. The change would allow for the public/private ownership of the parcels, which would allow for private investment in the form of regular loans as well as competitive Low Income Housing Tax Credits (LIHTC), a similar financing arrangement used for the Hamilton Crossing project.

The Ypsilanti Housing Commission is pursuing this pilot program in an effort to rehabilitate and redevelop all of its properties. There are two projects proposed:

- 1- Redevelopment of Parkridge Homes – The existing 80 Parkridge block-style units would be demolished and replaced primarily with duplex units, three 4-plexes and four townhomes (row-houses). The site would also be reconfigured to provide improved vehicular and pedestrian connections to the neighborhood, and will function more like a neighborhood than a separate housing development. Six units would be added to this site from the Scattered Site project below.
- 2- Scattered site housing – The additional 106 units of Housing Commission properties are located at Paradise Manor, Hollow Creek, Towner, Bell, Maus, S. Washington, S. Adams, Madison, First, and Monroe Streets. These units would be gutted and rehabbed providing needed updates to all units. Six units in the Towner area would be relocated to the Parkridge Homes project above.

To participate in the RAD program and pursue the LIHTC and ultimate rehabilitation of Scattered Sites and redevelopment of Parkridge Homes, the Ypsilanti Housing Commission is requesting that City Council approve an option to sell the City-owned public housing units to the Partnership. Any sale is subject to the projects being approved by HUD's RAD program, as well as to both projects receiving LIHTC. It's possible that pending these requirements one, both, or none of the projects may be approved and proceeds to construction.

A second set of approvals being sought is a change to the proposed Payment in Lieu of Taxes (PILOT) that is currently being paid by the Ypsilanti Housing Commission to the City of Ypsilanti

If the properties transfer ownership, the PILOT would need to be connected to any new or future owners of the properties. The PILOT is not proposed to change from its current amount (see below). Attached are two ordinances for the PILOT change, one for the Scattered sites and one for Parkridge Homes.

Proposed Parkridge Homes Redevelopment Project:

This option would allow for the sale of a portion of the existing Parcel ID # 11-11-39-468-010 or 601-699 Armstrong Dr and 501-577 First Court. The entire parcel is approximately 12.5 acres and includes portions of Parkridge Park in addition to the Ypsilanti Housing Commission building. However, the Ypsilanti Housing Commission is requesting the option to sell approximately 7.4 acres which is considered the project area located between First Avenue and Armstrong south of Harriet Street. This would require a lot split. As well, any sale should consider dedicating the right-of-way once redefined by the proposed redevelopment project. This proposed project area and area to be considered in the option is illustrated below with the project area shown in yellow, and the parcel shown in aqua.

The Parkridge Homes project would involve demolition of the existing 20 block housing dwellings (80 units), some reconfiguration of the street network to reflect more of nearby grid structure of the adjacent neighborhoods, and construction of 86 units, primarily duplexes. The site plan was presented to Planning Commission on Wed., Jan. 15 and received conditional approval.

Proposed option for Parkridge Homes

Parkridge Homes have not undergone any major renovations since their original construction more than half a century ago. After review with architectural and construction professionals, the YHC has determined that demolition and reconstruction is the best scenario for this area. Based on the lack of value in the constructed improvements and the desire to support the provision of quality affordable housing staff is recommending that the option be granted for \$10 and subsequent purchase price for the premises be \$10.

The option is conditional on acceptance into HUD's RAD program as well as the approval of LIHTC. If the approvals are not granted, the option expires. If the project proceeds, City council will review the terms and conditions that result from subsequent negotiations including the deed to transfer title to the property and any related memorandum of understanding entered into by the parties. These approvals can be achieved by resolution.

Expected impacts of proposed ownership change.

The change in ownership would be out of public ownership to that of a public/private partnership. The Ypsilanti Housing Commission Board would be the General Partner responsible for hiring and supervising MSHDA certified management company. Affordability levels will mimic existing levels as Project-based Section 8 vouchers will be available to all residents. At minimum these affordability requirements will be required for 30 years and possible up to 45 years.

The proposed Scattered Site rehabilitation project would include a full gut and rehab of all units listed below. This would include Paradise Manor and Hollow Creek as well as smaller units integrated in existing neighborhoods. The only change from the rehabilitation proposed would be on Towner streets where several smaller studio units would be combined into larger 1 bedroom units. This would result in the loss of 6 scattered site units. Those 6 units would be added to the Parkridge Home redevelopment project.

Proposed option for Scattered Site properties

The option would allow for the sale of additional Scattered Site housing operated by the Ypsilanti Housing Commission. After review by architectural and construction professionals, it is thought that there is residual value in the vertical improvements on the properties, indicating rehabilitation preference over demolition and redevelopment. Based on this residual value, staff is suggesting an option amount of \$10 and a purchase price of \$980,000 to be repaid through a long-term promissory note with an interest rate of 2 % with a 30-year term. A sample promissory note is included as an attachment to the ordinance as reference.

The option is conditional on acceptance into HUD's RAD program as well as the approval of LIHTC. If the approvals are not granted, the option expires. If the project proceeds, City Council will review the terms and conditions that result from subsequent negotiations including the deed to transfer title to the property and any related memorandum of understanding entered into by the parties. These approvals can be achieved by resolution.

Expected impacts of proposed ownership change and PILOT change

These are the same as those for the Parkridge Homes listed above. The Ypsilanti Housing Commission Board would be the General Partner responsible for hiring and supervising MSHDA certified Management Company. Affordability levels will mimic existing levels as Project-based Section 8 vouchers will be available to all residents. At a minimum, these affordability requirements will be required for 30 years and possible up to 45 years. The proposed PILOT would be identical to that of Parkridge Homes as described above.

Ms. Gillotti stated there was a request for a change in ownership and she explained what the ownership structure would look like. She reviewed the proposed financing, the PILOT requested, and described the Rental Assistance Demonstration (RAD) program. She said that the RAD program, provided by HUD, provides additional financing or a means to manage and update public housing properties. Instead of using HUD's Annual Operations allocation for public housing, it provides project based Section 8 vouchers to a project. She said that this is in regards to Parkridge Homes and all of the other Housing Commission properties. In providing vouchers, it guarantees the rents to the project and allows the property to be sold into a public/private partnership which then would allow private investment.

The private investment comes through low income housing tax credits as well as other bank loans. However, the change in ownership would require PILOT be addressed to the new owner rather than the Housing Commission, previous owners. The Ypsilanti Housing Commission (YHC) would still be the general partner that's responsible for overall oversight of the properties. Based on the current operating structure, the City of Ypsilanti appoints the YHC and that will continue. The YHC manages Parkridge and the Scattered Sites, and Ypsilanti Hamilton Crossing Phases 1 & 2 through the Ypsilanti Housing Corporation.

In this project, there are two different phases because there are two different financing mechanisms being used. Each one has different subsidiaries and investor entities, including Chesapeake which is involved in both projects. The Ypsilanti Housing Corporation has four different projects: Ypsilanti Hamilton Crossing Phases 1 & 2, Parkridge New Homes, and Strong Future. All 80 existing units of Parkridge Homes would be demolished but 86 units are being proposed in a variety of styles, reorienting things to the street to look similar to the adjacent neighborhood. Parking is in front of the property. The site plan went to the Housing Commission and did receive approval. The terms presented in the ordinance are for the sale of the property as well as the PILOT, a \$10 option and the ultimate purchase price of \$10 for Parkridge.

Council Member Robb asked how rents would be paid.

Mr. Fosler answered rent would be collected as usual.

Council Member Robb questioned why the budget does not reflect the receipt of rent payments.

Ms. Vaughn replied it is managed by a third party and there is a clear record and audit of rent payments received. She said that PILOT payments to the City would be paid on time, by the said date in the ordinances.

City Attorney John Barr stated that after reviewing the plan and documents, he has determined that what is being proposed is a workable plan.

Council Member Vogt asked about rates.

Mr. Fosler replied that the rates would stay the same. He said that currently they offer Section 8 and project-based contracts based on income and that wouldn't change.

Ms. Vaughn stated that if the occupancy rate is increased the PILOT would go up and they anticipate more working families. She explained how the RAD Program would work and said that rents are set by HUD which sometimes causes challenges because the rents are not enough for the upkeep of the property.

Mayor Schreiber asked what is paid from revenues and asked if there's anything leftover.

Ms. Vaughn explained that they have the ability to raise money from acquisition credit and bring \$240,000 of equity into the deal, creating an opportunity for the city to share in the outpour.

Mr. Robb asked who proposed 2% of interest for the payment of the property.

Mr. DuChene replied Chesapeake.

Mr. Robb asked what happens if they default on the Scattered site.

Attorney Barr stated that it is not clear at this time. He stated that the scattered sites are not worth much and the \$980,000.00 figure came from Chesapeake. He said it is all HUD money and he feels this is the best the city will get on this. He said the purchase price allows the developer to get more credits.

Ms. Vaughn added that there is a first lien lender and the YHC construction completion is guaranteed.

City Manager Lange asked why 30 years versus steady payment couldn't be paid.

Ms. Vaughn replied because it would reduce the money for the project.

Council Member Jefferson clarified that this is a conversion from low income housing to affordable housing. He expressed concern about relocation of tenants and re-screening.

Mr. Fosler stated that residents will be permitted to return as long as they are compliant with their lease. He said that at this point there will be no rescreening.

Council Member Murdock stated he is concerned about the big picture of the operation. He said basically the city has non-effective control.

B. Open the public hearing.

1. Karen Springer, resident from Warren, Michigan, stated her city was unsuccessful with the project listed above. She expressed concern about the lack of resident/citizen input and participation and who would oversee the Commission. She said she believes in the plan but said the legal language is confusing.
2. Tyler Weston 302 N. Grove, asked where residents will be placed when the buildings are demolished and express concern about the occupancy rate. He said the city may lose residents to other cities and recommended that the city partner with another apartment community in order to house displaced residents.
3. Mr. Russell Olwell, EMU Faculty Member, encouraged relocation planning in the beginning and developed a process for residents to identify

resources for their relocation and ways to keep the children in their same schools. He pointed out that the exact relocation of where they will live is dependent on the tax credit process. He said he was also involved in the Hamilton Crossing project and helped the residents boost their economic power, educational well-being, and health.

Mayor Schreiber stated that EMU applied for the Kresge grant for \$250,000 to fund a program that assists with family interviewing and counseling and he hopes their program could be used in the RAD program.

Mr. Olwell commented that the grant EMU applied for isn't an exact fit for the RAD program because returning residents can't be put into some of the restrictions but said he hopes that by engaging residents early that they will be involved in a similar process that encourages employment which furthers their education and offers resources.

4. Cheryl Farmer, 214 N. Huron, thanked Chesapeake and Council for their work with Hamilton Crossing which has produced quality public housing.

Council Member Jefferson reported that 65% of Section 8 residents have been employed because of the program Mr. Olwell discussed.

C. Resolution No. 2014-015, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on an ordinance entitled "An ordinance to enter into an option to purchase agreement with New Parkridge LDHA Limited Partnership for the sale of the city-owned Parkridge low income housing project (Parkridge)" be officially closed.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Murdock

On a voice vote, the motion to close the public hearing carried.

Council Member Vogt expressed discomfort in voting without reviewing all of the documents. He said he would prefer to vote when the final options are set.

Mr. Barr agreed with Mr. Vogt and restated that the price for the sale of Parkridge is \$10. He said Chesapeake has a February 14th deadline.

On roll call, the vote to approve Resolution No. 2014-014 was as follows:

Council Member Moeller	Absent	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Jefferson	Yes
Council Member Robb	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

2. An ordinance entitled, "An ordinance to enter into an option to purchase agreement with the Strong Future LDHA Limited Partnership for the sale of all remaining city-owned low income housing projects (Scattered Site)".

A. Resolution No. 2014-016, determination

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:
That an ordinance entitled "An ordinance to enter into an option to purchase agreement with the Strong Future LDHA Limited Partnership for the sale of all remaining city-owned low income housing projects (Scattered Site)" be approved on First Reading.**

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Mayor Pro-Tem Richardson

B. Open the public hearing.

No one was present to speak.

C. Resolution No. 2014-017, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing an ordinance entitled "An ordinance to enter into an option to purchase agreement with the Strong Future LDHA Limited Partnership for the sale of all remaining city-owned low income housing projects (Scattered Site)" be officially closed.

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Mayor Pro-Tem Richardson

On a voice vote, the motion to close the public hearing carried.

Council Member Vogt recommended amending the option to purchase agreement.

Ms. Vaughn stated that the project entails soft financing, not hard debt. She said the loan would be repaid through cash flow.

Mr. Barr referred to the purchase agreement and stated he is willing to add an amendment to make it clearer.

The meeting recessed at 9:36 p.m.

The meeting reconvened at 9:50 p.m.

Council agreed to add a friendly amendment to the purchase agreement stating, "for the sum of \$980,000 for 30 years at a 2% per annum".

Council Member Robb questioned the "default" comment in the promissory note.

Mr. Barr explained it was put there to put some teeth into the agreement and merely means that if no payment is received it is considered in default.

Council Member Robb asked how the city would know when they've defaulted.

Mr. Barr answered when no payment of money is received.

On roll call, the vote to approve Resolution No. 2014-016 was as follows:

Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Jefferson	Yes
Council Member Robb	No	Council Member Moeller	Absent
Council Member Vogt	Yes		

VOTE:

Yes: 5 No: 1 (Robb) Absent: 1 (Moeller) Vote: Carried

Ordinance No. 1211

3. An ordinance entitled, "City of Ypsilanti Tax Exemption Ordinance – Parkridge".

A. Resolution No. 2014-018, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "City of Ypsilanti Tax Exemption Ordinance-Parkridge." be approved on First Reading.

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Vogt

City Attorney Dan DuChene was present to answer questions.

B. Open the public hearing.

1. Karen Springer asked if the project is fair and equitable and asked if a resident could buy the property for \$11 and propose a similar project.

C. Resolution No. 2014-019, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing an ordinance entitled "City of Ypsilanti Tax Exemption Ordinance-Parkridge." be officially closed.

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Vogt

On a voice vote, the motion to close the public hearing carried.

Council Member Robb asked if there was a RFP process.

Mr. Fosler replied no.

Council Member Murdock asked if the property could be sold.

Mr. Fosler replied no, it is a HUD property.

On roll call, the vote to approve Resolution No. 2014-018 was as follows:

Mayor Pro-Tem Richardson	Yes	Council Member Jefferson	Yes
Council Member Robb	Yes	Council Member Moeller	Absent
Council Member Vogt	Yes	Council Member Murdock	Yes
Mayor Schreiber	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1(Moeller) Vote: Carried

Ordinance No. 1212

4. An ordinance entitled, "City of Ypsilanti Tax Exemption Ordinance – Scattered Site".

A. Resolution No. 2014-020, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "City of Ypsilanti Tax Exemption Ordinance-Scattered Site." be approved on First Reading.

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Jefferson

B. Open the public hearing.

There were no speakers.

C. Resolution No. 2014-021, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That a public hearing on an ordinance entitled "City of Ypsilanti Tax Exemption Ordinance-Scattered Site." be officially closed.

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Jefferson

On a voice vote, the motion to close the public hearing carried.

Council Member Robb asked if the default is tied to the PILOT.

Mr. DuChene replied no.

On roll call, the vote to approve Resolution No. 2014-020 was as follows:

Council Member Robb	No	Council Member Murdock	Yes
Council Member Vogt	Yes	Mayor Pro-Tem Richardson	Yes
Mayor Schreiber	Yes	Council Member Moeller	Absent
Council Member Jefferson	Yes		

VOTE:

Yes: 5 No: 1 (Robb) Absent: 1 (Moeller) Vote: Carried

Ordinance No. 1213

5. An ordinance to amend Ypsilanti Code relative to litter and dumping.

A. Resolution No. 2014-022, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That a ordinance entitled "AN ORDINANCE TO AMEND THE YPSILANTI CODE TO SECURE THE PUBLIC SAFETY, HEALTH, AND WELFARE OF THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF YPSILANTI BY PROVIDING FOR THE REGULATION OF LITTER AND UNAUTHORIZED USE OF RECEPTACLES BY ADDING DEFINITIONS AND PROVISIONS SIMILAR TO MCL 324.8901 ET SEQ. AND MAKING THOSE VIOLATIONS MUNICIPAL CIVIL INFRACTIONS, BY AMENDING CHAPTER 42 "ENVIRONMENT," ARTICLE II "NUISANCES," DIVISION 3 "LITTER," SECTION 42-66 "DEFINITIONS," SECTION 42-68 "BLIGHT VIOLATION" TO "BLIGHT VIOLATION UNLESS SPECIFIED AS A MUNICIPAL CIVIL INFRACTION," AND SECTION 42-72 "LITTER THROWN BY PERSONS IN VEHICLES" TO "LITTERING ON PUBLIC OR PRIVATE PROPERTY OR WATER AND UNAUTHORIZED USE OF RECEPTACLES PROHIBITED; REMOVAL OF INURIOUS SUBSTANCES DROPPED ON HIGHWAY AS A RESULT OF ACCIDENT;" AND BY DELETING SECTION 71-72 "SPECIFIC VIOLATIONS," SUBSECTION (3) "LITTERING" OF CHAPTER 71 "ADMINISTRATIVE HEARINGS BUREAU," ARTICLE III "VIOLATIONS;" AND BY DELETING SECTION 86-4 "UNAUTHORIZED USE OF RECEPTACLES" OF CHAPTER 86 "SOLID WASTE," ARTICLE I "IN GENERAL;" AND, FOR CONSISTENCY, TO AMEND VIOLATIONS OF CHAPTER 42 "ENVIRONMENT," ARTICLE II "NUISANCES," DIVISION 3 "LITTER," SECTIONS 42-72, 42-73, 42-76, 42-77, 42-78, 42-79, 42-80, AND 42-81FROM BLIGHT VIOLATIONS TO MUNICIPAL CIVIL INFRACTIONS" be approved on First Reading.

SUPPORTED BY: Council Member Robb

City Attorney O'Jack explained that the ordinance mirrors the Ypsilanti Township ordinance and includes State statute language that applies to the city.

Council discussed the ordinance and how it can be used as a tool and a threat.

Mr. O'Jack discussed with Council the advantages and disadvantages of using cameras to catch offenders.

B. Open the public hearing.

1. Dave Heikkenan, commented that the ordinance is a tool and he is glad to see something in place. He commented that signage is useless and inadequate and questioned if the resolution from camera photos would help determine who offenders are.
2. Karen Spangler said it is important to keep the city clean. She said she hopes the ordinance would be applied equally and fairly.

C. Resolution No. 2014-023, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on an ordinance entitled "AN ORDINANCE TO AMEND THE YPSILANTI CODE TO SECURE THE PUBLIC SAFETY, HEALTH, AND WELFARE OF THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF YPSILANTI BY PROVIDING FOR THE REGULATION OF LITTER AND UNAUTHORIZED USE OF RECEPTACLES BY ADDING DEFINITIONS AND PROVISIONS SIMILAR TO MCL 324.8901 ET SEQ. AND MAKING THOSE VIOLATIONS MUNICIPAL CIVIL INFRACTIONS, BY AMENDING CHAPTER 42 "ENVIRONMENT," ARTICLE II "NUISANCES," DIVISION 3 "LITTER," SECTION 42-66 "DEFINITIONS," SECTION 42-68 "BLIGHT VIOLATION" TO "BLIGHT VIOLATION UNLESS SPECIFIED AS A MUNICIPAL CIVIL INFRACTION," AND SECTION 42-72 "LITTER THROWN BY PERSONS IN VEHICLES" TO "LITTERING ON PUBLIC OR PRIVATE PROPERTY OR WATER AND UNAUTHORIZED USE OF RECEPTACLES PROHIBITED; REMOVAL OF INURIOUS SUBSTANCES DROPPED ON HIGHWAY AS A RESULT OF ACCIDENT;" AND BY DELETING SECTION 71-72 "SPECIFIC VIOLATIONS," SUBSECTION (3) "LITTERING" OF CHAPTER 71 "ADMINISTRATIVE HEARINGS BUREAU," ARTICLE III "VIOLATIONS;" AND BY DELETING SECTION 86-4 "UNAUTHORIZED USE OF RECEPTACLES" OF CHAPTER 86 "SOLID WASTE," ARTICLE I "IN GENERAL;" AND, FOR CONSISTENCY, TO AMEND VIOLATIONS OF CHAPTER 42

**"ENVIRONMENT," ARTICLE II "NUISANCES," DIVISION 3
"LITTER," SECTIONS 42-72, 42-73, 42-76, 42-77, 42-78, 42-79,
42-80, AND 42-81 FROM BLIGHT VIOLATIONS TO MUNICIPAL
CIVIL INFRACTIONS" be officially closed.**

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Robb

On a voice vote, the motion to close the public hearing carried.

On roll call, the vote to approve Resolution No. 2014-022 was as follows:

Council Member Vogt	Yes	Council Member Murdock	Yes
Mayor Schreiber	Yes	Mayor Pro-Tem Richardson	Yes
Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Absent		

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

- Ordinance No. 1214
6. An ordinance to amend Chapter 70 "Municipal Civil Infractions" of the Ypsilanti City Code, Article II, "Municipal Ordinance Violations Bureau", Section 70-38, "Schedule of Civil Fines Established".
- A. Resolution No. 2014-024, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "AN ORDINANCE TO AMEND CHAPTER 70 "MUNICIPAL CIVIL INFRACTIONS" OF THE YPSILANTI CITY CODE, ARTICLE II "MUNICIPAL ORDINANCE VIOLATIONS BUREAU," SECTION 70-38 "SCHEDULE OF CIVIL FINES ESTABLISHED," SO THAT THE SCHEDULE OF CIVIL FINES IS SET BY CITY COUNCIL RESOLUTION" be approved on First Reading.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Jefferson

City Attorney O'Jack was present to answer questions from Council.

- B. Open the public hearing

Karen Spangler expressed the importance of educating the community on ordinances. She also questioned the use of cameras.

- C. Resolution No. 2014-025, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on an ordinance entitled "AN ORDINANCE TO AMEND CHAPTER 70 "MUNICIPAL CIVIL INFRACTIONS" OF THE YPSILANTI CITY CODE, ARTICLE II "MUNICIPAL ORDINANCE VIOLATIONS BUREAU," SECTION 70-38 "SCHEDULE OF CIVIL FINES ESTABLISHED," SO THAT THE SCHEDULE OF CIVIL FINES IS SET BY CITY COUNCIL RESOLUTION" be officially closed.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Jefferson

On a voice vote, the motion to close the public hearing carried.

On roll call, the vote to approve Resolution No. 2014-024 was as follows:

Mayor Schreiber	Yes	Mayor Pro-Tem Richardson	Yes
Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Absent	Council Member Vogt	Yes
Council Member Murdock	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

IX. AUDIENCE PARTICIPATION –

1. Karen Spangler said it was interesting to come to another community and see how things are done. She commented that there was good positive input given but not enough citizens.
2. Dave Heikkenan reported he interviewed Police Chief Tony DeGiusti recently and he did an outstanding job. He commented that he had a wonderful experience at the Grizzly Den when he attended a recent Ypsilanti Community basketball game. He encouraged Council to try and support the school. He said as a business owner he is concerned about the Water Street housing proposal and afraid of putting affordable housing on Water Street. He said he feels the community can do better.
3. Cheryl Farmer spoke about the proposed apartments on Water Street and said she wants to make sure the building looks nice and that quality materials are very important. She said the city has a lot of the proposed housing type and she was hoping for a different type. She said what is proposed is workable but placement is important. She suggested the buildings be moved back to preserve the view. She added that Section 8 is an issue and she prefers a project that lifts up the community.

X. REMARKS BY THE MAYOR –

XI. MINUTES –

Resolution No. 2014-026, approving the minutes of January 21, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of January 7, 2014 be approved.

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried and the minutes were approved as submitted.

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2014-027, approving Letter of Intent (LOI) for Water Street multi-family development.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The Ypsilanti City Council has requested that all offers related to the purchase of Water Street be presented to City Council for approval; and

WHEREAS, Ypsilanti City staff have been working with Herman Kittle Properties LLC on a 3.14 acre development in the Southeastern portion of the Water Street Redevelopment Area; and

WHEREAS: Herman Kittle Properties LLC have negotiated initial terms including a concept site plan based on the City's conceptual plans for Water Street, the site infrastructure plan and draft zoning for the Water Street Development; and

WHEREAS Herman Kittle Properties LLC has submitted a proposed Letter of Intent for purchase of 3.14 acres for \$157,000 plus substantial infrastructure development estimated at \$745,000 for the development of multi-family apartment units.

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approve the attached Letter of Intent with Herman Kittle Properties LLC to take 3.14 acres of the Water Street Redevelopment Area off the market and continue work towards a purchase and development agreement; and

FURTHER, that the Mayor and City Clerk are authorized to sign the Letter of Intent.

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Council Member Murdock

Ms. Gillotti referred to the red-lined version of the Letter of Intent and summarized the changes which basically related to parcel size and price.

City Council Meeting Minutes

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Council Member Vogt said one of the main issues is that the proposal is for lower subsidized income housing. He said he is not opposed to subsidized housing but is concerned that it will set a long-term precedent and create a lower tax base. He asked Ms. Gillotti about the number of inquiries she's received.

Ms. Gillotti replied the only inquiries were the proposed one, a two-story residential and a mixed use with residential. She mentioned that Section 8 would be accepted here as well.

Mr. Rodriguez described the screening process and stated they have security and a stringent selection process.

Mr. Vogt said he would be interested in reviewing the security measures at a later date.

Mayor Schreiber asked if the lease is comparable to the Hamilton Crossing lease.

Mr. Rodriguez was not sure but said he would find some comparables for Council to review.

Council Member Jefferson moved, supported by Council Member Vogt to extend the meeting to 11:45 p.m. The motion carried with Mayor Pro-Tem Richardson dissenting.

Mayor Pro-Tem Richardson commented that the perception of Ypsilanti is a problem that needs to be changed. She said the proposal is consistent with the income level of the city. She said her only objection is to the density.

Council Member Robb suggested that the Water Street Committee get back together to review proposals and questioned the site selection for the proposal.

Council Member Murdock said it is embarrassing to hear residents talk about Ypsilanti. He said the city's median income is \$40,000 and many are living in a dream of the past. He said he thinks the proposal does a lot to develop the site and offers needed infrastructure. He said the city needs the density.

Council Member Jefferson agreed with Mr. Murdock and said Ypsilanti is not Ann Arbor and the current plan is a realistic one.

Council Member Vogt clarified that his comments were not about individuals in the City but merely about holding out for something better to be developed.

City Manager Lange encouraged City Council to look at some of the developers sites. He said the price is modest and the trade-off is good.

On roll call, the vote to approve Resolution No. 2014-027 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Absent	Council Member Vogt	No
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 5 No: 1 (Vogt) Absent: 1 (Moeller) Vote: Carried

~~2. Resolution No. 2014-028, directing city staff and OHM to take all necessary steps to proceed with and improve Prospect Road from Holmes Road to Grove Road. **(Moved and heard after presentation)**~~

3. Resolution No. 2014-029, approving CDBG two-year work plan.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City is a member of the Urban County, through Washtenaw County and receives an annual Community Development Block Grant (CDBG) allocation through this body for eligible projects

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approves the proposed work plan as prepared by staff for the 2014-2015 and 2015-2016 program years.

Ms. Gillotti gave an overview of the resolution.

SUMMARY AND BACKGROUND:

The City of Ypsilanti, as a member of the Urban County, receives an annual allocation of Federal Community Development Block Grant (CDBG) funds. CDBG funds can be applied to a variety of activities including capital improvements, economic development, technical assistance and other projects.

The last multi-year plan approved by Ypsilanti City Council was in Feb. 21, 2012 and included funding for ADA ramps, Senior Center kitchen improvements, Dangerous Building fund, and single-family rehabilitation projects.

Projects still underway:

- Dangerous building funding – there is currently \$99,602 under contract for demolition and other abatement. Approximately 30,000 is committed to three demolitions planned for spring/summer 2014. Recently council approved reallocation of 2010 ADA ramp CDBG funds that were unused to make sure funds remain available after the 2014 demolitions.
- Senior Center kitchen improvements: Approximately \$10,000 has been spent on this project in the form of an updated Water Heater as well as architectural designs for the kitchen. Currently \$41,410.30 is available, including \$6,214.65 that council recently reallocated from unspent Parkridge Park CDBG funds. DPS staff is in the process of submitting the plans to Washtenaw County Environmental health for approval which will be followed with a Request for Proposals for the construction work to hopefully upgrade the kitchen to a commercial kitchen standard.
- ADA ramp replacement is an obligation due to a previous consent agreement. This project is ongoing with approximately 8-10 years of replacement needed at current funding levels. Approximately \$50,000 remains from 2013 CDBG funds which are scheduled to be spent on improvements in 2014.

The City's estimated allocation for 2014 is \$55,900. The allocation has decreased for two reasons: continued decline in Federal funds as well as an Urban County initiative to provide funds for joint/regional

projects. This year, the first project to be funded was approximately \$80,000 for a joint sidewalk project between Ypsilanti Township and Pittsfield Township along Washtenaw Avenue.

City of Ypsilanti - CDBG Workplan (2012-2015)			
	2014-2015	2015-2016	2016-2017
CDBG - Urban County Allocation (expected)	\$55,900.	\$55,000	\$50,000
ADA ramps (low/mod areas)*	0	50,000	\$50,000
Parks improvements			
- Swing sets/climbers in tot lots	\$55,900	0	0
- Parkridge Pavilion roof repair			
Dangerous buildings demolition/rehab	0	\$5,000	0
Totals:	\$55,900	\$55,000	\$50,000

* ADA ramps improvements are required per court order.

Additional projects for consideration in the future are installation of missing sidewalks on Washtenaw Avenue to complete the sidewalk network, support for pre-construction costs for the Ypsilanti Housing Commission's upcoming RAD program applications, as well other improvements to city-owned facilities.

Council Member Murdock asked about improvements to the Charles Street tot lot.

Ms. Gillotti replied the improvements could possibly be a late summer project.

Mayor Pro-Tem Richardson asked about the Mattingly tot lot.

Ms. Gillotti replied that the current play material is dangerous and has to be removed and replaced.

On roll call, the vote to approve Resolution No. 2014-029 was as follows:

Council Member Moeller	Absent	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Jefferson	Yes
Council Member Robb	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

- Resolution No. 2014-030, amending the FY2013-2014 Fee Schedule to create an "Administrative Hearings Bureau Cost, for costs associated with filing a lien.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti desires to recoup costs associated with unpaid judgments in the Administrative Hearings Bureau (AHB); and

WHEREAS, the Home Rule City Act allows the City to file a lien against the land, building, or structure involved if fines, costs or installment payments ordered by an AHB Hearing Officer are not paid within 30 days of the judgment; and

WHEREAS, the City desires to increase the AHB Costs to include the \$50 in costs associated with filing a lien if a judgment is not paid within 30 days; and

WHEREAS, the City desires to waive said \$50 if a judgment is paid within 30 days.

NOW THEREFORE BE IT RESOLVED that the City of Ypsilanti hereby amends the FY 2013-2014 Fee Schedule to increase the Administrative Hearings Bureau Costs from \$200 to \$250, to include costs to file a lien against judgments not paid within 30 days.

BE IT FURTHER RESOLVED that the City of Ypsilanti amends the FY 2013-2014 Fee Schedule to create a "Administrative Hearings Bureau Cost - \$50 Waiver," to subtract the costs associated with filing a lien if a judgment is paid within 30 days.

OFFERED BY: Mayor Pro-Tem Richardson
SUPPORTED BY: Council Member Murdock

Mr. O'Jack explained that the ordinance adds \$50 to judgments for to cover liens and there is no other change.

Council Member Murdock asked what the \$200 AHB charge is.

Mr. O'Jack replied it supports the AHB operation.

On roll call, the vote to approve Resolution No. 2014-030 was as follows:

Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Jefferson	Yes
Council Member Robb	Yes	Council Member Moeller	Absent
Council Member Vogt	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Moeller) Vote: Carried

XIII. LIASON REPORTS –

- A. SEMCOG Update - None
- B. Washtenaw Area Transportation Study - None
- C. Washtenaw Metro Alliance - None
- D. Urban County – Today's meeting cancelled
- E. Freight House - None

XIV. COUNCIL PROPOSED BUSINESS –

Murdock

- Stated the old lane markings need to be erased on West Michigan Ave. The new ones have faded so it's not possible to distinguish the new ones from the old ones.

City Manager Lange stated that he spoke with the Head Engineer for the Washtenaw County Road Commission and they won't be able to change the lane markings during the winter time. He said they will address the problem when the weather is suitable.

- Commented there have been at least two accidents in the past year in the area on East Cross, east of Prospect, where cars are parked on one side and said that stripping may prevent more accidents.
- Inquired about a list he submitted to code enforcement containing parcels that haven't removed their snow yet this year.

Ms. Gillotti commented that there was a problem with a small tractor used to clear the sidewalks and said it had to be repaired. She said DPS uses it to clear the sidewalks but if it's not back yet then they may have to use a backup contractor.

- Mr. Murdock asked how many city employees make around \$9.00 per hour and commented that he saw a job posted in the Senior Center for that rate. He suggested maybe changing the rate.

City Manager Lange commented that Human Resources Manager Judi Smith is good at that and he will follow up on it.

Robb

- Requested the Mayor call a special meeting on January 28th for the City Manager Performance Review. He said City Manager Lange may request a closed session.

Clerk McMullan agreed to organize the special meeting for 7:00 p.m.

Council Member Vogt moved, supported by Council Member Jefferson to extend the meeting to 11:59 p.m. On a voice vote the motion carried.

Vogt

- Thanked DPS for a great job with snow removal.

Richardson

- Reported she attended the Ypsilanti Community School's basketball game Friday night and there were about 2500 people in attendance. She said there was a fight but it was quickly broken up.

XV. COMMUNICATIONS FROM THE MAYOR –

Nominations:

Ypsilanti Zoning Board of Appeals
Eric Seymour (open)
611 Pearl St. Apt. #5 Ypsilanti, MI 48197
Ypsilanti, MI 48197
Term Expires: 5/1/2016

Ypsilanti Historic District Commission
Anne Stevenson-Less (reappointment)
707 Collegewood
Ypsilanti, MI 48197
Term Expires: 1/31/2017

Ypsilanti Historic District Commission
Michael Condon (reappointment)
313 Maple
Ypsilanti, MI 48198
Term Expires: 1/31/2017

Ypsilanti Historic District Commission
Henry Prebys (reappointment)
301 N. Grove
Ypsilanti, MI 48198
Term Expires: 1/31/2017

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

- Commented on the SAFER grant and said Chief Anthouard did a spectacular job on securing it. He said the city has been trying to hire quality firefighters and with the grant we are required to hire five between April 8, 2014 and April 7, 2016. He said he is working with the Fire Civil Service Commission to expand the list of people that are potentially available and said replacements will be needed if someone retires between now and April 2016 due to requirements of grant.
- Stated he is working with Fiscal Services Director Marilou Uy to prepare the budget for the next two years.

- Reported he attended a great MLK Day event at EMU where they had a splendid turnout.

XVII. AUDIENCE PARTICIPATION –

1. Cheryl Farmer, 214 N. Huron, thanked City Council and the Mayor for their hard work and complimented Ms. Gillotti for excellent work as Community Development Director. She further commented that she likes the design of proposed Water Street apartment building but is concerned about the impact the proposal may have on the rest of the development needed for Water Street.
2. Dave Heikkinen, 133 W. Michigan, commented on the effect that low public housing may have on the promotion of the city. He suggested that audience participation be sooner in the meeting because people leave early.

Council Member Jefferson moved, supported by Council Member Vogt to extend the meeting. On a voice vote the motion carried.

3. Brian Nwagwu commented on the comparison of Ann Arbor and Ypsilanti and the importance of public housing management.

XVIII. REMARKS FROM THE MAYOR –

- Mayor Schreiber appreciated everyone who participated in audience participation. He agreed that management is 95% of how a complex's success.
- Stated that Council encourages audience participation but said sometimes it takes a while to occur when there is a long agenda.

Richardson

- Explained that her comments regarding public housing weren't racial. She suggested changing the agenda so that audience participation is sooner, and Council Member Vogt supported the suggestion.

XIX. ADJOURNMENT –

Resolution No. 2014-031, adjourning the City Council meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Council Member Vogt

On a voice vote, the motion carried and the meeting adjourned at 12:04 a.m.