

PUBLIC HEARING SESSION - JULY 25, 1994

The public hearing session of the Ann Arbor City Council was called to order at 7:30 p.m. by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

Present: Councilmembers Tobi Hanna-Davies, Patricia Vereen-Dixon, Peter Fink, Jane Lumm, Ulrich Stoll, Haldon Smith, Peter Nicolas, Julie Creal, Christopher Kolb, David Stead, Mayor Ingrid Sheldon, 11

Absent: 0

PUBLIC COMMENTARY - RESERVED TIME

SAFIYAH KHALID - POLICE PROTECTION AT AATA CENTER

Safiyah Khalid said that on Monday, July 18, 1994, at the Blake Transit Center in downtown Ann Arbor, she encountered the persons that she believed were responsible for repeated incidents of break-ins and vandalism at her former residence. However, when she attempted to point these persons out to a police officer, and have them arrested, she learned that there are no police officers on duty at the AATA Blake Center on Sundays and Mondays and after 7:30 p.m. She is concerned for the safety of citizens during these off-duty times.

PUBLIC HEARING

EDC BONDS-ANN ARBOR YMCA PROJECT

A public hearing was conducted on the proposed Issuance of Bonds by Economic Development Corporation for the Ann Arbor YMCA Project.

The following persons appeared:

Representatives from the Homeless Action Committee (HAC) sang a song to the tune of "YMCA" by the Village People. The words to the songs expressed their objection to the pending resolution to approve issue of EDC bonds to finance the Y addition of single room occupancy (SRO) rooms. The group objected to the public funds being used for this purpose because the rents are too high and the rooms are too small.

Jeri Schneider, 520 N. Main Street, objected to the City paying Great Lakes Bancorp almost 3 million dollars through the issue of EDC bonds to the Great Lakes Bank in order to satisfy a loan guarantee for the Y addition. The Ann Arbor Y rooms are not affordable and will never be for people on low-fixed or low-earning incomes. The City is in worse financial condition than either the Y or Great Lakes Bank. Also, the Y is in the process of being granted the designation of "Innkeeper" status which means that they don't have to

operate under the same laws as apartment owners. Because the City has offered to pay the debt, there is no incentive for the bank to find an alternative plan for payment. Under the proposed payment plan the City would be buying the building for the Y and would get nothing in return.

Renuka Uthappa, HAC member, said that the City's money appears and disappears at the whim of the Administration. The issue of financing the Y addition is similar to when the City planned to build a parking structure. The cry from HAC then was to "house people not cars." If the bail out of the Ann Arbor Y is approved, taxes will go up and services will go down.

Robert Morgan, 106 Packard, said that as a resident at Baker Commons, he objects to a lack of maintenance at the building. The hallways are poorly ventilated and trash is not picked up on a regular basis. Because of the neglected conditions and poor response from management, a rent strike has been initiated, and will continue until the problems are corrected.

Bruce Poper, asked that the Council listen attentively to the speakers at the public hearing.

Paul Lambert, HAC member, expressed concern that the larger community does not like to be made aware of deprivations that take place within it. The problem of homelessness needs public input from the community and government bodies in order to eliminate it. The Ann Arbor Y needs a better plan for a bail-out, one that will not hurt the City or put it at the mercy of banks or other institutions.

David DeVarti, 921 Dewey, opposed to the issue of EDC bonds to pay off the YMCA debt. This loan will not create affordable housing as planned. The money could be used better through the housing non-profit agencies. All parties involved in this situation should be made accountable.

Patrice Maurer, First Ward resident, asked why aren't the tenants needs being met first, instead of those of the bank. The rents should be lower at the YMCA. The YMCA's rental rates are for people in higher income brackets. However, people in higher income brackets do not opt to live at the Y. There is something unethical about tax dollars going to private profits.

Clinton Smith, former member of the Y, said that Great Lakes Bancorp is pressuring the City into a false deadline. The YMCA could manage themselves without any money from the City. The claim that the residential addition is dragging down the other part of the Y operations is a false claim. The YMCA is poorly managed and there is no proper supervision at night. To give the Y more money would be a bad decision.

David Noel said that the Ann Arbor Y project as proposed, does not fall under the EDC guidelines. He has a problem with Bond Attorney's Miller Canfield and their advice to the City to become involved in this arrangement. The Y is a non-profit entity, its facilities are for private membership and it does not serve a public purpose. The Y needs to have its books audited. The process employed at the Y to rent rooms really costs out to more than \$325

per room per month.

David Duvall, 511 Benjamin Street, a social worker in Ann Arbor, said that he works with poor people who are mental health consumers. The Y project is not acceptable. The project is stupid and does not benefit very low-income people. The Ann Arbor Y never had any intention of renting to very low-income people. Money could be used more effectively elsewhere. Tenants are not happy at the Y because the rooms are too small, visitors are not allowed in the rooms and neither is cooking. The City's resources should be put into really affordable housing.

Mary Beechum, a worker at the SOS Crisis Center in Ypsilanti, said that a woman who was abandoned by her partner was left homeless. To complicate matters, the woman was diagnosed as HIV positive. The Ann Arbor Y is not an option for this person. The Council is not committed to low-income housing in the community. The question of the Ann Arbor Y bail-out should be considered for moral and ethical reasons.

A citizen who did not identify himself said that the only affordable housing in this city for him is a back pack and a tent. He compared what was offered in the apartments for rent which were advertised in the Ann Arbor News with the rooms at the YMCA. Working at a low-income job would put extra money in his pocket but it would not afford him an apartment.

Larry Fox, 530 State Street, said that this public hearing should give information to the Council to help them make a decision. The proposed Lease agreement with the YMCA, and the bond sales means that Council must declare the Y a public entity. The bad loan is the responsibility of Great Lakes Bank and YMCA. The money proposed to be used is not the City's money, nor should the City take responsibility for the mistakes that were made. The city is the custodian of the public's money. The YMCA rooms are not serving a purpose because the people who make enough money to live at the Y have other options. This project is not for a public purpose.

Michael Kline said that socialism does exist in this Country, but for the wealthy. The Community Reinvestment Act says that banks are supposed to reinvest in the community. However, Great Lakes is not living up to the spirit of the Act. The crisis at the YMCA is that the rooms are not affordable. The bank loan guarantee will not meet the need of affordable housing.

There being no further speakers, the Mayor declared the hearing closed at 9:15 p.m.

Council recessed at 9:15 p.m.

Council reconvened at 9:30 p.m.

WORKING SESSION - JULY 25, 1994

The Ann Arbor City Council working session was called to order at 9:30 p.m. by Mayor Ingrid B. Sheldon.

The working session was attended by representatives of the YMCA and Community Development Staff.

YMCA PROJECT - DISCUSSION ON ISSUE OF EDC BONDS AND LEASE AGREEMENT

The purpose of the working session this date was to discuss the proposed issue of EDC bonds to Great Lakes Bank and a subsequent lease/management agreement with the Ann Arbor Y. This issue is before the Council because the City has guaranteed the Y loan with the Great Lakes Bank, to assist the Y in offering low-cost lodging in the form of Single-occupancy rooms.

If the bonds are issued, Great Lakes Bank has offered to buy the bond at a low interest rate. The structure of the lease/management agreement is that the City would pay the Ann Arbor Y to lease the building and under the management agreement, the City would receive the income from the rents, but would make up the shortfall if the rental income is not equal to the total cost of the lease agreement.

A discussion took place as a general information, question and answer session between the City Council, Ann Arbor YMCA representatives and the Community Development Staff.

The general discussion revealed concerns regarding the implication in the change in tenant status to that of guests, and if the Y would be willing to stipulate in the agreement that the rights of the tenants would be recognized under City and State laws. Also the status of the Ann Arbor Y's current and projected income charging the current room rates, and, under EDC guidelines, what public purpose the Y serves?

ADJOURNMENT

There being no further business, the Mayor declared the meeting adjourned at 11:17 p.m.

Linda J. Wise
Acting Clerk of the Council
Recording Secretary