

Minutes of the Ypsilanti Housing Commission
Thursday, March 26, 2015 – 6:00 p.m.
601 Armstrong Dr., Ypsilanti, MI 48197

Meeting called to order at 6:00 P.M. by Commissioner Smith.

ROLL CALL:

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| • Chairperson R. Smith | Present |
| • Vice Chairperson A. Moore | Present |
| • Commissioner T. Boone | Absent |
| • Commissioner V. Brannon | Absent |
| • Commissioner C. Hollifield | Present |
| • Executive Director Z. Fosler | Present |

APPROVAL OF AGENDA: R. Smith asked if there were any changes to be made to the agenda. Hearing none, she asked for a motion to approve the agenda. A. Moore moved to approve the agenda, supported by C. Hollifield.

Motion passed 3-0.

APPROVAL OF MINUTES: R. Smith asked if there were any changes to be made to the minutes of the February 19, 2014 regular meeting. Hearing none, R. Smith asked for a motion to approve the minutes. C. Hollifield moved to approve the minutes as presented, supported by A. Moore.

Motion passed 3-0.

AUDIENCE PARTICIPATION:

Terry Blackman, of Blackman Custom Cleaning, 1934 Savannah Lane: Mr. Blackman heard the YHC was having a meeting and was coming to get information. R. Smith asked what kind of information he was seeking. He responded that he was told the YHC is working on an apartment complex on Michigan Avenue, and he is here to hear information about what is going on.

Robert Craig, of Craig Electric: Mr. Craig stated that he has been in business for about 50 years and is licensed and has insurance and has done a couple of jobs for the City [of Ypsilanti] so far, but he has an office here on Michigan Avenue and has one in Inkster, as well.

R. Smith informed the audience that this is a board meeting of the YHC and that members of the public are always welcome to come and speak during the public comment period.

Calvin West, of Craig Electric: Mr. West provided some background on the work that Craig Electric does. He stated that they are open to taking on any project that is available. His response time in this area is 15 minutes.

Ryan McLilly, of Mr. Root-Out, 3335 Platt Rd, Ann Arbor: Mr. McLilly's uncle owns Mr. Root-Out and has been in business for 35 years. He came to the meeting to see what was going on.

Michael Armstead, of Mr. Root-Out: Mr. Armstead stated that Mr. Root-Out is currently doing work on some YHC properties and he has come tonight to hear about any other possible projects.

Steve, of Mr. Root-Out: Introduced himself as an employee of Mr. Root-Out.

E. Temple informed the members of the board that Mr. Root-Out and Craig Electric have ongoing maintenance contracts with the YHC for plumbing and electrical repairs, respectively.

R. Smith asked Z. Fosler if he had any comments to make in response to the audience participation. Z. Fosler thanked everyone for coming. He explained that the YHC has the Strong Housing redevelopment project currently in the works, which some of the members of the audience may already be involved in bidding on. The project is experiencing some delays due to a zoning issue, but it is expected to reach a resolution soon. A contract has not yet been let to Rohde

Construction, so contracts have not yet been awarded to any subcontractors. Z. Fosler stated that he has heard from a member of the public that there have been some concerns about Rohde's responsiveness toward interested potential subcontractors, but that he has not been contacted any subcontractors directly about any issues. Z. Fosler stated that if there are any issues with Rohde Construction, or if any member of the audience knows of any sub that is having issues, to please let them know that they should contact him (Z. Fosler) directly. He thanked the audience for the great work they have been doing for the YHC and several members of the audience thanked the board for having them at the meeting.

C. Hollifield asked the audience members to provide the board with business cards if they have them.

Paul Schreiber, 922 Pleasant Drive: Mr. Schreiber stated that he came in to see what was happening with the housing commission. He commented on local contractors being at the meeting, stating that it's always good to have local work and he knows that the housing commission has had that in the forefront and will continue to. He commended the commissioners for the work they do, stating that it is volunteer work and they are not paid to be here. He stated that the housing commission is a very important thing to provide affordable housing for the people of Ypsilanti.

CITY COUNCIL MEMBERS' COMMENTS AND QUESTIONS: None present.

RESIDENT COUNCIL REPORT: E. Temple reported that the council is meeting on a biweekly basis. They have been focusing on the high school graduation celebration. He is trying to negotiate an agreement with Perry School to hold the event there. He has reached out to EMU, WCC and U of M to provide care packages and/or speakers for the event. The council is currently thinking they will provide cake and punch to keep expenses lower, because they are expecting approximately 20 graduates.

An RFP has been issued for resident council election and training services and a contract is expected to be let soon.

R. Smith asked for the date of the graduate celebration. E. Temple responded that it will be May 23. R. Smith asked if any representatives from the higher education institutions would be available to be present at the event to encourage students to attend. E. Temple responded that they are working on that.

OLD BUSINESS:

- **Executive Director Contract Renewal:** R. Smith stated that Mr. Fosler's contract is up for renewal in April and, per the terms of the contract, will auto-renew. A. Moore stated that she would handle the executive director evaluation process. She stated that she would send out the evaluation to the board members that they used last year.
- **Fee accountant:** Z. Fosler stated that a fee accountant has not yet been hired. He has obtained pricing and a proposal, but has been focusing on getting the Parkridge Homes tax credit application in and getting to closing on the Strong Housing project. R. Smith asked if we had any ongoing contract with Casterline Associates because she was very impressed with their work. Z. Fosler stated that they did not have a contract, but that Casterline was the firm that he intends to contract with. A. Moore stated that she is looking forward to having a signed contract in place.

NEW BUSINESS:

- **Parkridge Homes Management:** Z. Fosler informed the board that, as discussed a previous meeting, KMG Prestige has now taken over property management of the Parkridge Homes project. They will manage the site as public housing until the YHC secures tax credits and converts the property through the RAD program. They will hire an assistant manager and one YHC maintenance person has taken a position with KMG.

R. Smith asked where their office will be located. Z. Fosler responded that they will operate out of the YHC offices while new management buildings are built at Paradise Manor and Hollow Creek. A. Moore asked how KMG will report on financial information. Z. Fosler stated that KMG will be providing financial statements similar to how Millennia provides statements for Hamilton Crossing.

- **MI NAHRO Conference:** R. Smith encouraged the other members of the board to attend the conference, being held in Ann Arbor in April. She stated that the YHC is a co-sponsor of the conference with the Ann Arbor Housing Commission. Z. Fosler informed the board that all of the information and registration forms are located in their board packets and he will handle registering any members who would like to attend.

- **Resolution 15-02: A Resolution Writing Off Bad Tenant Debt in the Public Housing Program (FY15):** A. Moore read Resolution 15-02 aloud. A. Moore offered the resolution, with support from R. Smith. Discussion ensued. **R. Smith called for a vote on Resolution 15-02, and it was passed 3-0.**
- **Resolution 15-03: A Resolution Authorizing the Creation of a New Nonprofit Tax-Exempt Entity:** A. Moore read Resolution 15-03 aloud. A. Moore offered the resolution, with support from R. Smith. Z. Fosler explained that the resolution will authorize him to create an entity that will be the sole shareholder in the LLC that will own the New Parkridge project. He explained that this was necessary because the tax-exempt status of the YWHC was revoked prior to him becoming the executive director of the YHC, but he was not made aware of it until just recently. Annual filings for the YWHC were not filed for three years in a row and the IRS automatically revoked the tax exempt status. Discussions have already taken place with MSHDA regarding any potential impact on the Strong Housing project's allocation of tax credits. Further discussion ensued. **R. Smith called for a vote on Resolution 15-03, and it was passed 3-0.**

MONTHLY REPORTS:

- **Regulatory, Oversight, and Legal Actions:** Z. Fosler stated that the Detroit Field Office will be conducting another monitoring review. It is scheduled for the week of April 26th. The reason for the review is due to the YHC's PHAS designation. He attempted to have the review cancelled because the YHC's conversion under the RAD program exempts the YHC from PHAS scoring, they have been compliant with their recovery agreement, and have undergone nine months of technical assistance from a HUD contractor and multiple HUD reviews. He has a call scheduled with the Division Director at the DFO to discuss it.
- **RAD & Director's Report:** Z. Fosler stated that closing on the Strong Housing project has been delayed due a change in the Ypsilanti zoning ordinance that resulted in a number of the R-2 zoned properties in the project changing to R-1 nonconforming use. Under the ordinance, the properties could continue as duplexes, but if there was a catastrophic loss that required rebuilding the property, they would only be permitted to rebuild a single unit. This creates risk for the tax credit investor because their credits are based on the ability to provide a certain number of units for the 10-year period. We are working with the planning department towards a resolution. Z. Fosler attended the last planning commission meeting to voice his support for a change to the zoning ordinance. The other delay on the project is related to construction pricing. Rohde is working with the potential subcontractors to drill down into their bids and identify areas where costs can be reduced.

The New Parkridge tax credit application is due by April 1. Z. Fosler recently gave a presentation on the proposed project at the Washtenaw County Continuum of Care Board, which he and R. Smith both sit on. The COC Board voted unanimously to support the application, which MSHDA will award additional points for. Z. Fosler has also been busy meeting with local service providers such as Avalon Housing, Alpha House, Ozone House, HAWC, and SOS Community Services to obtain letters of support for the application. He is also attending the Community Housing Prioritization Committee meetings, which is where applicants are assigned to PSH units in the County. Overall, we are in good shape for the application. It is our first PSH application, so it has been a learning experience. We are fortunate to have assistance from Avalon on the application.

- **Finance Report:** Z. Fosler stated that there is a significant variance in administrative and maintenance benefits. There was a change in staff at the City's finance department and invoices were not sent to the YHC for the last three months of the prior fiscal year for the YHC's health insurance. The invoices were paid when they were received, but this has resulted in a large budget variance. That being said, Z. Fosler stated that we are under budget on a number of other items. Further discussion ensued. A. Moore asked that variances exceeding \$15,000 have an explanation included with the finance report.
- **Hamilton Crossing:** Z. Fosler stated that the monthly financials are included in the board packet. He stated informed the board of some staffing changes at Millennia and that we have a new asset manager at CCA. He met with the new team recently and is optimistic about their ability to perform well.

DIRECTOR'S REPORT: Z. Fosler stated he has one last thing to report to the board: Mr. Temple is retiring from the Ypsilanti Housing Commission. His last day is March 27. Z. Fosler stated that Eric has been a great partner. He is the most loyal and supportive person that he has ever worked with. Z. Fosler continued, stating that Mr. Temple has always been there when he needed him and told Mr. Temple that he really appreciates him and wishes him the best in his retirement. A retirement celebration will be arranged.

Mr. Temple thanked the board for their support over the years and for allowing him to attend the Executive Director Education Program, which he has now graduated from. He thanked Paul Schreiber for his support as a housing commissioner and as Mayor of Ypsilanti.

R. Smith recognized Paul Schreiber. Mr. Schreiber told Eric that he has shown immense personal strength throughout the last number of years, having endured things that he has not seen anyone else have to endure—public humiliation which was totally unwarranted. Mr. Schreiber stated that he believes that Eric can handle anything that comes his way and wished him the best and hopes they will stay in touch.

COMMISSIONER COMMENTS:

- Commissioner Hollifield: I thought we had a great meeting. I am sad to see Eric go, but things are what they are. For the guests here, I want to say again that we are planning to have a celebration for the young people in public housing who are graduating from high school. We are trying to have an open house for these kids because a lot of them are unable to have an open house.
- Commissioner Moore: Mr. Temple, thank you for your service. I got to know you just when I came in. The storm clouds had spent their fury. We were in clean-up. You were 100% present and helping. To say loyal, is... wow, indeed. I got a little flavor of what everyone had been through, but I really didn't have to deal with it at all—because you and others had already fixed it. So, thank you. I know you'll stay close. I look forward to seeing what's next. I don't know if you don't want a party, but I'd really like to organize a party. Thank you for being such a good leader to me and teach me how to do this thing and making it look pretty easy.
- Commissioner Smith: I would like to echo the sentiments of the board and our former mayor. You did an awesome job here during very difficult circumstances. Your integrity is just off the charts. For what you went through, and how you stood up and still maintained your professionalism and your dignity. I haven't seen anything like that. YHC owes you a lot and we hate to see you go. We definitely will celebrate your achievements at a later date and hopefully you will keep in touch.

ADJOURN: A. Moore moved to adjourn, supported by C. Hollifield. **Passed 3-0. Meeting adjourned at 7:07 pm.**

THEREFORE, BE IT RESOLVED:

The Ypsilanti Housing Commission and its Board of Commissioners, of the City of Ypsilanti, Michigan, hereby authorize the Executive Director to sign the approved Board of Commissioners minutes of March 26, 2015.

	YEAS	NAYS	ABSENT
Commissioner Smith	_____	_____	_____
Commissioner Moore	_____	_____	_____
Commissioner Boone	_____	_____	_____
Commissioner Brannon	_____	_____	_____
Commissioner Hollifield	_____	_____	_____

Zachary D. Fosler, Executive Director

Date