

Minutes of the Ypsilanti Housing Commission
Thursday, May 28, 2015 – 6:00 p.m.
601 Armstrong Dr., Ypsilanti, MI 48197

Meeting called to order at 6:23 P.M. by Commissioner Smith.

ROLL CALL:

- | | |
|--------------------------------|-----------------------------|
| • Chairperson R. Smith | Present |
| • Vice Chairperson A. Moore | Present |
| • Commissioner T. Boone | Absent |
| • Commissioner V. Brannon | Present |
| • Commissioner C. Hollifield | Present (arrived 6:35 p.m.) |
| • 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 V. Brannon.

Motion passed 3-0.

APPROVAL OF MINUTES: R. Smith asked if there were any changes to be made to the minutes of the March 16, 2015 regular meeting. Hearing none, R. Smith asked for a motion to approve the minutes. A. Moore moved to approve the minutes as presented, supported by V. Brannon.

Motion passed 3-0.

AUDIENCE PARTICIPATION: None present.

CITY COUNCIL MEMBERS' COMMENTS AND QUESTIONS: None present.

RESIDENT COUNCIL REPORT: The YHC Resident High School Graduation Celebration went spectacularly. Commissioner Boone really did a great job. The event was well attended. A youth choir came and sang for the audience, Commissioner Boone and others said some really nice words, our state and regional level winner of the NAHRO "What Home Means to Me" poster contest was recognized and given a large framed certificate, collage, and art supplies, and the three graduates that were identified received gift bags from EMU, WCC, and U of M and were each given a gift card, which was provided by our generous donors. After the program, people enjoyed food, cake, and punch. We look forward to making this an annual event for all residents in YHC properties, including Hamilton Crossing.

National Night Out is being planned by the resident council. NNO is the evening of August 4th, around the nation. The WCSO has agreed to be present at the event, which is designed to encourage positive relationships between communities and law enforcement and other first responders. Z. Fosler invited the YHC Board members to attend the event.

Our ROSS Coordinator, Erin Loomas, has been organizing another job fair to be held on June 16th. It was quite successful last year. R. Smith asked if any of our residents will be attending. Z. Fosler responded that at least 20 had registered so far.

OLD BUSINESS:

- **Fee accountant:** Z. Fosler stated that a contract for a fee accountant is not in place yet. He explained that the YHC is in an unusual state of transition right now, with the function of accounts payable and financial recordkeeping for both Parkridge Homes and Strong Future LDHA being transferred over to KMG Prestige. After proceeding further into this transition, it became apparent that the original proposal and pricing package he obtained for fee accounting services included services that were no longer needed and lacked some services that are needed. For example, most of the financial recordkeeping related to our properties will be performed by Millennia and KMG, but we need someone to create our higher-level books that encompass the properties and the YHC's other business activities. Z. Fosler stated that due to time constraints related to the Strong Future closing and the loss of staff, he has yet to redefine the scope of work and obtain updated pricing.

[Commissioner Hollifield arrived at 6:35 p.m.]

NEW BUSINESS:

R. Smith made a motion to add “Updating Authorized Bank Signers” to New Business, with support from A. Moore. **Motion passed 4-0.**

- **Updating Authorized Bank Signers:** Z. Fosler explained that the KMG CEO Paul Spencer and CFO Jennifer Allen need to be added as signers to our bank accounts that are related to public housing, as KMG will be managing the accounts payable for Parkridge Homes. Due to some errors in First Merit Bank’s database, it is necessary for all signers to sign new signature cards. C. Hollifield and A. Moore will need to be added to accounts at a later date because information was not immediately available when the bank requested it.

Z. Fosler explained that the accounts related to the YHC’s non-federal funds are not included in this. Further discussion ensued regarding difficulties PHAs are experiencing with getting banks to agree to HUD’s General Depository Agreement.

A. Moore offered the resolution with the proposed authorized signers to YHC accounts, with support from V. Brannon. R. Smith called for a vote and it was passed 4-0.

MONTHLY REPORTS:

- **Regulatory, Oversight, and Legal Actions:**
 - Z. Fosler reported on a pending lawsuit brought against the YHC by Solé Construction for approximately \$22,000, alleging that they had not paid the final payment on work performed in 2011-2012 at Paradise Manor. The YHC had previously communicated with Solé regarding the alleged balance, and Mr. Temple had worked to identify whether the balance was actually owed. Records of the project were disorganized and it was difficult to ascertain the legitimacy of the claim. After extensive review of the records, Z. Fosler stated that he found that an amount had been withheld from the final payment to Solé due to work that was not satisfactorily completed. An itemized statement prepared by the former maintenance supervisor was discovered, but communication between the former YHC executive director and Solé regarding the dispute could not be located. Staff have stated that there was an issue between YHC and Solé that the former ED had been meeting with Solé about, but records showing this are not available. YHC’s general counsel is disputing the amount.

Unfortunately, the notice from the courts regarding the lawsuit was received by YHC staff, but was never provided to Z. Fosler. Hence, a default judgment was entered in favor of Solé. Nevertheless, we are still able to dispute the default judgment. Z. Fosler reported that he spoke with Walter Norris, the former executive director, but he did not have any recollection of the situation. Further discussion regarding the proposed defense and the potential to settle the case ensued.

- Z. Fosler reported that a slip-and-fall case against the YHC was dismissed on the grounds of governmental immunity.
- Z. Fosler reported on the preliminary results of the monitoring review recently performed by that the Detroit Field Office will be conducting another monitoring review.

RAD: A PSH tax credit application has been submitted for Parkridge Homes. Z. Fosler attended a meeting with the development and management team at MSHDA to review our plan for providing permanent supportive housing. It was received positively by MSHDA. Further discussion ensued regarding the application and the timing of award announcements.

Z. Fosler reported that the YHC has submitted a Blight Elimination Grant application to MSHDA for \$250,000 to aid in funding the demolition of Parkridge Homes. This would help free up additional funds for the development. The City of Ypsilanti has also applied for the same grant to demolish homes in the Parkridge neighborhood. Mutual letters of support were provided between the City and the YHC.

Z. Fosler enthusiastically reported that the Strong Future project has closed. The YHC has been paid its first installment of developer fee of \$225,000. Construction is expected to begin in three to four weeks. Rohde is

currently in the process of obtaining materials and creating a staging area on the newly obtained parcel adjacent to Hollow Creek. Our relocation specialist has been doing a great job working with our families and is working hard to minimize stress for our families. We have started providing gift cards for families on the day of their move to relieve the stress of unpacking kitchen supplies immediately and cooking dinner.

A long-time elderly resident on Bell St. was very concerned about damage to her gardens, which she has been cultivating for many years. The YHC has been working with the family and has come to a resolution.

A. Moore asked about the status of our tax credits due to the issue with the YWHC 501(c)(3) status being revoked. Z. Fosler responded that MSHDA determined that they were satisfied with the YHC's response and the credits were not in danger of being rescinded.

A. Moore asked about whether the YHC's PHAS designation was going to be an issue with the Parkridge RAD application. Z. Fosler reported that he had communicated with HUD and did not believe an issue existed.

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 he had added comments on variances that exist. Discussion ensued regarding a variance on non-dwelling rental and sundries and office supplies. Z. Fosler pulled the general ledger and reported that there are expenses on the sundry and office supplies lines that have been miscoded and he will investigate further.

R. Smith asked if the retirement of Mr. Temple impacted anticipated expenses. Z. Fosler reported that in the affirmative. A. Moore stated that she would like to see more than a list of what expenses cause a variance. She would like to have an understanding of why it is off-budget.

Z. Fosler reported that the business activities financial statement is not up-to-date. Activities at the partnership level need to be transmitted to our fee accountants so they can reconcile accounts and book transactions.

- **Hamilton Crossing:** Z. Fosler stated that the monthly financials are included in the board packet. Z. Fosler stated that Millennia is going to start providing a monthly activity report in addition to the financials.

DIRECTOR'S REPORT: Z. Fosler reported that a fence along Armstrong Drive was significantly damaged when a vehicle crashed through the fence and hit a tree. The driver fled on foot. YPD is investigating. Z. Fosler provided additional information on fence damage on the Parkridge site.

COMMISSIONER COMMENTS:

- Commissioner Moore: We have a financial report. There's no budget numbers. I wanted to know deltas to \$15,000, but they weren't there. It continues to be a concern. I understand that we are switching over activity to KMG. That sounds good. But I have a hard time understanding where we are and that's a concern. I can't understand the financials. It doesn't feel good. Otherwise, it's really exciting. There's a lot of really good stuff. This is all really great. But, if you mess up your financials, it can send other things down the tubes. But yay for all the good things that are happening.
- Commissioner Brannon: Even though she's not here, I would like to once again thank Commissioner Boone for putting on a fantastic and really thoughtful and caring presentation for the graduates. It was really nice. And Zac for the good work. I would urge you to prioritize looking for an administrative person who could be doing the contract compliance and financials so you can focus on the things that are really important, which you have been focusing on, but just to make sure that other things don't get lost. I'm sure there are even college students looking for jobs right now.
- Commissioner Hollifield: No comment.
- Commissioner Smith: I would like to echo some of the comments made by Commissioners Moore and Brannon in terms of the financials. My concern with the financials is hopefully we can secure a fee accountant. I have talked to Zac about the need to get some administrative help in here, even temporarily so he can focus. Someone to maintain so that things don't go astray. Part of it is that we have a poor fee accountant. I share those concerns, but I am also very pleased with the things that are going on. I think we have good momentum. We need to make sure our house is in order. We have some housekeeping issues regarding quality control and HUD is still there. So hopefully, we can make strides and make those corrections and continue to rebound like we have been doing.

ADJOURN: V. Brannon moved to adjourn, supported by C. Hollifield. **Passed 4-0. Meeting adjourned at 7:52 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 May 28, 2015.

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

Zachary D. Fosler, Executive Director

Date