

**Michigan State Housing Development Authority
Minutes of Authority Meeting
June 27, 2018**

AUTHORITY MEMBERS PRESENT (Lansing):

Jeremy Hendges for Roger Curtis
Eric Scorsone for N.A. Khouri
Carl English
Mike Kapp for Kirk Steudle
Deb Muchmore
Scott Wierda
Tyrone Hamilton

AUTHORITY MEMBERS ABSENT:

Luke Terry (excused absence)

OTHERS PRESENT (Lansing/Detroit):

Earl J. Poleski, Executive Director
Brian Mills, Chief of Staff
Maria Ostrander, Executive
Mary Cook, Executive
Clarence L. Stone, Jr., Legal Affairs
Willard G. Moseng, Legal Affairs
Diana Bitely, Legal Affairs
Jeffrey Sykes, Chief Financial Officer
Marneta Griffin, Technical Support Services
Linda Beachnau, Technical Support Services
Katie Bach, Governmental & Media Affairs
John Hundt, Rental Development
Andy Martin, Rental Development
Chad Benson, Rental Development
Mike Witt, Asset Management
Ron Farnum, Office of Attorney General
Jamie Schriener, CEDAM
Sandy Pearson, Habitat Michigan
Diane Smith, CSI Support

The Chair, Jeremy Hendges, called the meeting to order at 10:02 a.m. Following Roll Call, Mr. Hendges asked for public comment. Hearing no public comment, Mr. Hendges turned the meeting over to Executive Director Poleski.

Mr. Poleski reported on the following:

Mr. Poleski reported that there have been several meetings to discuss the QAP and the goal is to provide better housing in Michigan. He expressed appreciation for the letter received from CEDAM last month with their comments.

Mr. Poleski reported that he spoke to representatives of the Moratorium Now Coalition ("Moratorium Now") during their Lansing protests. (Representatives of Moratorium Now made public comments during the May Board meeting.) Moratorium Now would like more tax relief from the Hardest Hit program. Michigan Homeowners Assistance Nonprofit Corporation ("MHA") staff

will provide a response to their requests. He noted that MHA staff will determine what can be done to keep people in their homes.

Mr. Poleski provided a multifamily bond issue update. He reported that the closing for the Series A and C multifamily bonds occurred on June 26, 2018; the closing on the Series B multifamily bonds is scheduled for July 11, 2018.

Mr. Poleski introduced Jason Fedewa as the new Chief Accountant, stating that his hiring is part of an effort to help MSHDA segregate "Treasury" from "Accounting" functions, which will contribute to greater internal controls.

Mr. Poleski concluded his report by noting the following highlights of the 2017/2018 Fiscal Year:

- Under the Multifamily Direct Lending Program, 1,507 units of housing were constructed or rehabilitated and preserved.
- Under the 9% Low Income Housing Tax Credit Program, 1,918 units of housing were constructed or rehabilitated and preserved, and the credit ceiling was increased from \$24 million to \$26 million.
- The MSHDA Budget has been used strategically to provide the following:
 - Greater focus on MSHDA's entire budget;
 - More effective use of the MSHDA Budget as a forecasting tool; and
 - Segregation of "Treasury" from "Accounting" functions.
- The tax exemption on private activity bonds was preserved, which in turn, preserved the 4% Low Income Housing Tax Credit.
- The allocation of HOME funds increased by \$5.5 million in 2018. (In 2017, the Authority received an allocation of \$11.96 million of HOME funds; for 2018, the Authority received an allocation of \$17.46 million of HOME funds.)

Agenda (Tab A): Mr. Hedges requested a motion to approve the agenda. Deb Muchmore moved approval of the agenda. Tyrone Hamilton supported. The agenda was unanimously approved.

Consent Agenda (Tabs B-E) Mike Kapp moved approval of the consent agenda. Scott Wierda supported. The consent agenda was approved. The consent agenda included the following resolutions:

Tab B	Minutes – May 23, 2018
Tab C	Resolution Authorizing Reinstatement of Pass-Through Short-Term Bond Program
Tab D	Resolution Authorizing Three-Month Extension of Professional Services Contract with Public Sector Consultants for Research and Analysis of PILOTs as Part of Funding for Affordable Housing Project
Tab E	Resolution Authorizing Amendment to Regulatory Agreement and End/Reimbursement of Subsidy and Reserve Funds of Baldwin House Apartments, MSHDA Development No. 899, City of Birmingham, Oakland County

Resolution Approving 2018-2019 Budget (Tab F) was presented by Chief Financial Officer, Jeff

Sykes. Mr. Sykes reviewed the business aspects for the proposed resolution as detailed in the board documents. Carl English moved approval of the resolution. Tyrone Hamilton supported. The resolution was approved.

Resolution Adopting the 2019-2020 Qualified Allocation Plan for the Housing Tax Credit Program (Tab G) was presented by Andrew Martin, Director of Development, and Chad Benson, Financial Manager for the Low Income Housing Tax Credits program. Mr. Martin and Mr. Benson reviewed the business aspects for the proposed resolution as detailed in the board documents. Mike Kapp moved approval of the resolution. Eric Scorsone supported. The resolution was approved.

Resolution Determining Mortgage Loan Feasibility/Resolution Authorizing Mortgage Loan, LaBelle Towers, MSHDA Development No. 3801, City of Highland Park, Wayne County (Tab H) was presented by John Hundt of Rental Development. Mr. Hundt reviewed the business aspects of the proposed resolution as detailed in the board documents. Deb Muchmore moved approval of the resolution. Tyrone Hamilton supported. The resolution was approved.

Resolution Determining Mortgage Loan Feasibility/Resolution Authorizing Mortgage Loan, Riverview Towers, MSHDA Development No. 432-2, City of Riverview, Wayne County (Tab I) was presented by John Hundt of Rental Development. Mr. Hundt reviewed the business aspects of the proposed resolution as detailed in the board documents. Tyrone Hamilton moved approval of the resolution. Scott Wierda supported. The resolution was approved.

Resolution Determining Mortgage Loan Feasibility/Resolution Authorizing Mortgage Loan, Westchester South, MSHDA Development No. 3788, City of Saginaw/Saginaw Township (Tab J) was presented by John Hundt of Rental Development. Mr. Hundt reviewed the business aspects of the proposed resolution as detailed in the board documents. Deb Muchmore moved approval of the resolution. Carl English supported. The resolution was approved.

Mr. Hendges noted that the following reports were included for information: Homeownership Production Report **(Tab 1)**, Current and Historical Homeownership Data **(Tab 2)**, Hardest Hit Report **(Tab 3)**.

Mr. Hendges noted that the next two board meetings are scheduled for July 25, 2018 and August 29, 2018.

There being no further business, Mr. Hendges requested a motion to adjourn. Scott Wierda moved to adjourn. Tyrone Hamilton supported the motion, and it was unanimously approved and accepted. The meeting adjourned at 10:42 a.m.