

**Michigan State Housing Development Authority
Minutes of Authority Meeting
July 25, 2018**

AUTHORITY MEMBERS PRESENT (Lansing):

Jeremy Hendges for Roger Curtis
Mike Kapp for Kirk Steudle
Deb Muchmore
Scott Wierda
Luke Terry
Tyrone Hamilton

AUTHORITY MEMBERS ABSENT:

Carl English (Excused)
Mary Martin (Excused)

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
Linda Beachnau, Technical Support Services
Katie Bach, Governmental & Media Affairs
Andy Martin, Rental Development
Troy Thelen, Rental Development
Jennifer Ferguson, Office of Employee Services
Joseph Parks, Office of Employee Services
Scott Grammer, Procurement
Jess Sobel, Executive
Sherri Davio, Rental Assistant and Homeless Solutions
Mary Townley, Homeownership
Sean Chapman, Rental Development
Ron Farnum, Office of Attorney General
John Millhouse, Office of Attorney General
Brandon Wolanski, Barclays
Albert Luong, Barclays
Tim Rittenhouse, Dykema
James Kiefer, Dykema
Sandy Pearson, Habitat for Humanity

The Chair, Jeremy Hendges, called the meeting to order at 10:03 a.m.

There being no public comment, Mr. Hendges noted that goldenrods for Tabs A, Tab M and a new agenda item, Tab N, were distributed at the table. He then turned the meeting over to Executive Director Earl Poleski.

Mr. Poleski reported that this week the Authority announced its Low Income Housing Tax Credit Awards in the April round, which will produce approximately 800 rehabbed and new construction units. Mr. Poleski used a map of Michigan to show the location of the units. (A copy of the map

is attached.) He noted that the Kalamazoo Creamery, which is on today's agenda, is of special note as a Workforce Housing project. He then asked Andy Martin, Director of Development, to comment on Workforce Housing Initiative. Martin noted the Authority has been working with the Governor's Office, the MEDC and others to promote "workforce" or "missing middle" housing. He added that to reach the targeted group, units would be reserved for tenants with the income of 60% to 120% of Area Median Income. Martin stressed the importance of using various strategies based on need, such as using bond financing and various tax incentives such as Payments in Lieu of Taxes ("PILOT") and Tax Increment Financing ("TIF"). (A copy of Mr. Martin's Power Point is attached.) Mr. Poleski concluded his report on Workforce Housing by noting that Michigan is committed to finding new and creative programs to increase housing for middle-income residents.

Mr. Poleski then asked Jeff Sykes, the Chief Financial Officer, to comment on the Short-Term Credit Facility (Single Family Program). Sykes noted significant increases in single-family loan production and the loans that will be made from the proceeds of the Short-Term Credit Facility would help meet that need.

Mr. Hendges requested a motion to move Tab L to the first regular/roll-call voting item. Deb Muchmore moved approval. Tyrone Hamilton supported the motion. The motion was approved.

Agenda (Tab A): Mr. Hendges 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-G) Mike Kapp moved approval of the consent agenda. Scott Wierda supported. The consent agenda was approved. The consent agenda included the following resolutions:

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| Tab B | Minutes – June 25, 2018 |
| Tab C | Resolution Authorizing a Contract Extension with University Consultants, Inc., DBA Association Management Resources to Provide Logistical and Planning Support for the 2019 Building Michigan Communities Conference |
| Tab D | Resolution Authorizing the Extension of Professional Services Contract With Water Hill Creative, Inc. |
| Tab E | Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Lockwood of Burton, MSDHA Development No. 1005 , Township of Burton, Genesee County |
| Tab F | Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Lockwood of Waterford MSDHA Development No. 995 , Township of Waterford, Oakland County |
| Tab G | Resolution Authorizing Income Limit and Rental Rate Change, Roberts III, MSHDA Development No. 444-2 , City of Detroit, Wayne County |

Michigan State Housing Development Authority Resolution Authorizing Short-Term Credit Facility (Single-Family Program) 2018 in an Amount Not to Exceed \$100,000.00 (Tab L) was presented by Chief Financial Officer, Jeff Sykes. Mr. Sykes reviewed the business aspects of the proposed Short-Term Credit facility (Single-Family Program) as detailed in the board documents. James

Kiefer, of Dykema, reviewed the proposed resolution. Assistant Attorney General Ron Farnum and Director of Legal Affairs, Clarence Stone, concurred that the documents were in proper order for the Authority’s action. Scott Wierda moved approval of the resolution. Tyrone Hamilton supported.

The following Roll Call vote was taken for Tab L:

Jeremy Hedges – Yes	Deb Muchmore – Yes	Carl English (absent)
Scott Wierda – Yes	Mike Kapp – Yes	Mary Martin (absent)
Tyrone Hamilton – Yes	Luke Terry - Yes	

There were 6 “yeas” and 0 “nay” votes. The resolution was unanimously approved.

Resolution Determining Mortgage Loan Feasibility/Resolution Authorizing Mortgage Loan Genesis Villas II, MSHDA Development No. 3832, City of Detroit, Wayne County (Tab H) were presented by Andy Martin, Director of Development. Mr. Martin reviewed the business aspects of the proposed resolutions as detailed in the board documents. Luke Terry moved approval of the resolutions. Tyrone Hamilton supported. The resolutions were approved.

Resolution Determining Mortgage Loan Feasibility, The Creamery, MSHDA Development No. 3840, City of Kalamazoo, Kalamazoo County (Tab I) was presented by Andy Martin, Director of Development. Mr. Martin reviewed the business aspects of the proposed resolutions as detailed in the board documents. He noted that two foundations are purchasing bonds at a lower interest rate, which enables the Authority to offer a lower interest rate. He noted the involvement of the Michigan Economic Development Corporation in a gap financing capacity. He also noted the blending of a TIF and PILOT. He also stressed that the Authority’s tax-exempt bond loan would be in first position. Luke Terry moved approval of the resolution. Tyrone Hamilton supported. The resolution was approved.

Resolution Determining Mortgage Loan Feasibility/Resolution Authorizing Mortgage Loan, Oakland Park Towers II, MSHDA Development No. 3428-2, City of Troy, Oakland County (Tab J) were presented by Andy Martin of Rental Development. Mr. Martin reviewed the business aspects of the proposed resolutions as detailed in the board documents. Scott Wierda moved approval of the resolutions. Tyrone Hamilton supported. The resolutions were approved.

Resolution Authorizing Modification to Mortgage Terms, Shiloh Commons, MSHDA Development No. 960, City of Flint, Genesee County (Tab K) was presented by Troy Thelen of Asset Management. Mr. Thelen reviewed the business aspects of the proposed resolution as detailed in the board documents. Luke Terry moved approval of the resolution. Tyrone Hamilton supported. The resolution was approved.

Resolution Authorizing Appointment of Underwriters for Authority (Tab M) was presented by Chief Financial Officer, Jeff Sykes. Mr. Sykes reviewed the business aspects for the proposed resolution as detailed in the board documents. Mike Kapp moved approval of the resolution. Deb Muchmore supported. The resolution was approved.

Resolution Authorizing the Execution and Delivery of Fifteenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement was presented by Mary Townley of Homeownership. Ms. Townley reviewed the business aspects for the proposed resolution as detailed in the board documents. Deb Muchmore moved approval of the resolution. Mike Kapp supported. The resolution was approved.

Mr. Hedges 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)**, and Delegated Action Reports **(Tab 4)**.

Mr. Hedges noted that the August 29, 2018 board meeting would be canceled. He added that the next scheduled board meeting is September 26, 2018.

There being no further business, Mr. Hedges requested a motion to adjourn. Deb Muchmore moved to adjourn. Tyrone Hamilton supported the motion, and it was unanimously approved and accepted. The meeting adjourned at 11:14 a.m.