

Michigan State Housing Development Authority
Minutes of Regular Authority Meeting
January 20, 2022 – 10:00 a.m.

AUTHORITY MEMBERS PRESENT IN LANSING

Regina Bell
Susan Corbin
Carl English
Rachael Eubanks
Terri Fitzpatrick for Quenton L. Messer, Jr.

AUTHORITY MEMBERS ABSENT

Tyrone Hamilton
Jennifer Grau
Deb Muchmore

OTHERS PRESENT IN LANSING

Clarence Stone, Legal Affairs
Lisa Ward, Legal Affairs
Mary Cook, Operations
Mark Whitaker, Information Technology

OTHERS PRESENT VIA MICROSOFT TEAMS

Gary Heidel, Acting Executive Director
Michelle Locher, Executive
Richard Norton, Legal Affairs
Jonathan Hilliker, Audit, Compliance and Fraud Investigation
Jeff Sykes, Finance
Justin Wieber, Asset Management
Kelly Rose, Rental Assistance and Homeless Solutions
Lisa Lehman, Rental Assistance and Homeless Solutions
Katie Bach, Communications
Anna Vicari, Communications
David Allen, Office of Marketing Services
Troy Thelen, Asset Management
Mark Garcia, Executive
Tiffany King, Office of Equity and Engagement
Ciera Borden, Legal Affairs
John Hundt, Rental Development
Chad Benson, Rental Development
Sherry Hicks, Operations
Ryan Koenigsknecht, Rental Development
Tonya Young, Neighborhood Housing Initiatives
Sandra Kimball, Asset Management
Jennifer Bowman, Executive
Daphne Wells, Operations

Lori Fedewa, Human Resources
Carol Brito, Homeownership
Ron Farnum, Office of Attorney General
Michael Fobbe, Office of Attorney General
John Millhouse, Office of Attorney General
Amy Patterson, Office of Attorney General

Twelve additional members of the public participated via the Conference Line: 248-509-0316, Conference ID: 644 107 820#. Chairperson Susan Corbin opened the meeting at 10:04 a.m. A quorum was established with the presence of Ms. Corbin, Regina Bell, Carl English, Rachael Eubanks, and Terri Fitzpatrick (designee of Quenton L. Messer, Jr.). While Authority members were present in Lansing, presenters participated via Microsoft Teams. At Ms. Corbin's request, Jonathan Hilliker provided instructions for those participating remotely, including guidelines on how to provide public comment via the conference line.

Ms. Corbin began the meeting by welcoming Terri Fitzpatrick and requesting public comments from participants. There being no public comment, she announced that the Governor's State of the State address would be held virtually on January 26, 2022, at 7:00 p.m. Afterwards, agencies will begin the process of engaging stakeholders to discuss the Governor's message and how it relates to many critical issues.

Ms. Corbin then provided an update on the search for a permanent Executive Director. She reminded Authority members that the State Ethics Board issued an Advisory Opinion in December 2021. This Opinion confirmed that the proposed conflict wall arrangement would be sufficient to ensure that Amy Hovey, if appointed Executive Director, would be in compliance with the State Ethics Act. The second part of this process requires a request to the Department of Housing and Urban Development (HUD) for an exception under the HOME program and a waiver under the Project-Based Voucher program. This request has been submitted and remains pending.

Following the Chair's update, Acting Executive Director Gary Heidel asked Kelly Rose, Chief Housing Solutions Officer, to provide an update on the Covid Emergency Rental Assistance (CERA) Program. Ms. Rose noted that approximately 182,000 applications have been received so far; about 114,000 of those applications have been processed and about 85,000 have been approved. She also mentioned a slight decline in applications from about 5,500 per week in November to about 4,500 currently. Ms. Rose also announced that the Authority received a portion of Emergency Rental Assistance (ERA) II funds at the end of December 2021. The U.S. Department of Treasury requires that this allocation (approximately \$140 million) be spent or obligated by March 31, 2022, in order to receive the next allocation of funds. Therefore, staff is working diligently to distribute this portion of the funding. There are also additional funds waiting to be appropriated by the State Legislature; these funds should be available in February or early March.

Ms. Rose also gave an update on the Emergency Housing Voucher Program. Through the American Rescue Act, the Authority received 779 vouchers to distribute among the homeless population. Compared to other public housing agencies (PHA(s)), the Authority received the thirteenth largest allocation of vouchers. With this allocation, the Authority has successfully issued the most vouchers in the country--twice the number of vouchers issued by any other PHA. Ms. Rose attributes this success to how the Authority typically runs its programs. Because it already focuses on homeless solutions, it was not a big pivot for the Authority to distribute vouchers in this manner.

Mr. Heidel then asked Jeff Sykes, Chief Financial Officer, to give an update on the Michigan Homeowner Assistance Fund (MIHAF). Mr. Sykes provided this update on behalf of Mary Townley, Director of Homeownership. Mr. Sykes noted that the U.S. Treasury Department approved the Authority's plan on December 17, 2021. He further indicated that the program's computer system is in place, and staff are testing it by using a pilot program consisting only of MSHDA loans. Fifteen staff have been hired for this program; an additional fifteen employees will be added shortly. The goal is to be ready to launch the program to the public on February 1, 2022. The TERM sheet and many frequently asked questions can be found on the website, www.michigan.gov/mihaf. Additional marketing materials will be shared with lenders once the program is launched to the public.

To conclude the Executive Director's report, Mr. Heidel asked Lisa Lehman of the Authority's Rental Assistance and Homeless Solutions division to address the concerns a public caller expressed during the last board meeting. Ms. Lehman assured Authority members that both she and Mr. Heidel spoke with the caller. Ms. Lehman has continued to speak with her and is currently awaiting additional information from the caller to determine what other programs may be of assistance.

Ms. Lehman also provided additional information regarding the Key to Own Program, which is the program referenced during the public comment period in December. Ms. Lehman explained that the Key to Own Program promotes homeownership by allowing individuals to use rental vouchers toward the purchase a home. The program has been successful and is more cost effective to the Authority than issuing vouchers alone. Ms. Lehman further noted that the program has successfully closed on over 650 houses, with only one foreclosure. Looking forward, the program is focusing on ways to ensure homeowners have the requisite resources to maintain their equity, as well as create necessary succession plans.

Approval of Agenda:

Rachael Eubanks moved approval of **Tab A (Agenda)**. Regina Bell supported. The agenda was approved.

Voting Items:

Consent Agenda (Tabs B through D). Carl English moved approval of the consent agenda. Rachael Eubanks supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

- Tab B Minutes – December 16, 2021
- Tab C Resolution Authorizing an Amendment and Extension of Professional Services Contract with Public Policy Associates, Inc.
- Tab D Resolution Authorizing Approved Professional Services Contractors for Market Studies

Regular Voting Items:

Jeff Sykes, Chief Financial Officer, presented **Tab E**, Michigan State Housing Development Authority Resolution Declaring Official Intent to Reimburse Expenditures for Financing and Purchasing Mortgage Loans. Mr. Sykes reviewed the documents as detailed in the board docket.

Rachael Eubanks moved approval of **Tab E**. Carl English supported. The following Roll Call was taken for **Tab E**:

Regina Bell	Yes
Susan Corbin	Yes
Carl English	Yes
Rachael Eubanks	Yes
Terri Fitzpatrick	Yes

There were 5 “yes” votes. The resolution was approved.

Richard Norton, Legal Affairs, presented **Tab F**, Resolution Authorizing Modifications of Mortgage Terms and Waiver of Mortgage Loan Prepayment Prohibition, **The Creamery, MSHDA Development No. 3840**, City of Kalamazoo, Kalamazoo County. Mr. Norton reviewed the documents as detailed in the board docket.

Carl English moved approval of **Tab F**. Susan Corbin supported. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab G**, Resolution Authorizing Modification to Mortgage Terms, **Baldwin House, MSHDA Development No. 899**, City of Birmingham, Oakland County. Mr. Wieber reviewed the documents as detailed in the board docket.

Rachael Eubanks moved approval of **Tab G**. Carl English supported. The resolution was approved.

John Hundt, Rental Development, presented **Tab H**, Resolution Determining Mortgage Loan Feasibility, **Morningside Commons II, MSHDA Development No. 2028-2**, City of Detroit, Wayne County and Resolution Authorizing Mortgage Loan, **Morningside Commons II, MSHDA Development No. 2028-2**, City of Detroit, Wayne County. Mr. Hundt reviewed the documents as detailed in the board docket.

Rachael Eubanks moved approval of **Tab H**. Regina Bell supported. The resolution was approved.

There being no additional discussion, Ms. Corbin announced the following reports were included in the docket for reference: **(Tab 1)** Delegated Action Reports; **(Tab 2)** Current and Historical Homeownership Data; **(Tab 3)** Homeownership Production Report; **(Tab 4)** MI 10K DPA Monthly Statistics (Map); **(Tab 5)** MI 10K DPA Weekly Statistics (Graph); and **(Tab 6)** 2022 Board Calendar.

Ms. Corbin requested a motion to adjourn the meeting. Rachael Eubanks moved to adjourn, and Carl English supported. The meeting adjourned at 10:45 a.m.

REVIEWED
By Lisa Ward at 8:37 am, Jan 24, 2022

APPROVED
By Clarence Stone at 8:55 am, Jan 24, 2022