

**Michigan State Housing Development Authority
Minutes of Regular Authority Meeting
August 26, 2021 – 10:00 a.m.**

AUTHORITY MEMBERS PRESENT IN LANSING

Regina Bell
Susan Corbin
Rachael Eubanks
Tyrone Hamilton
Deb Muchmore
Michele Wildman for Quentin L. Messer, Jr.

AUTHORITY MEMBERS ABSENT

Carl English
Jennifer Grau

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
Jonathan Hilliker, Executive
Jennifer Bowman, Executive
Sam Buchalter, Executive
Mark Garcia, Executive
Justin Wieber, Asset Management
Troy Thelen, Asset Management
Frank Mostek, Audit, Compliance and Fraud Investigation
Ron Pulaski, Audit, Compliance and Fraud Investigation
Katie Bach, Communications
Matt Schoenherr, Communications
Anna Vicari, Communications
Jeff Sykes, Finance
Rick Norton, Legal Affairs
John Swift, Legal Affairs
Mary Townley, Homeownership
Carol Brito, Homeownership
Renee Ferguson, Homeownership
Tara Gilman, Homeownership
Lori Fedewa, Human Resources
Chad Benson, Rental Development
John Hundt, Rental Development
Charles Smith, Rental Development
Kelly Rose, Rental Assistance and Homeless Solutions
Tonya Young, Neighborhood Housing Initiatives
Tracey Barnes, Neighborhood Housing Initiatives
Jodi Mackie, Neighborhood Housing Initiatives

Angela Shipp, Neighborhood Housing Initiatives
Tiffany King, Office of Equity and Engagement
Daphne Wells, Operations
Ronald Farnum, Office of Attorney General
John Milhouse, Office of Attorney General
Christopher Forsyth, Grand Traverse County
Michael DiCarlantonio, Wallick Communities
Craig Hammond, Dickinson Wright

Twenty additional members of the public participated via the Conference Line: +1 248- 509-0316, Conference ID: 419 617 944#.

Chairperson Susan Corbin opened the meeting at 10:04 a.m. A quorum was established with the presence of Ms. Corbin, Regina Bell, Rachael Eubanks, Tyrone Hamilton, Deb Muchmore and Michele Wildman. While Authority members were present in Lansing, presenters participated via Microsoft Teams. A separate telephonic conference line linked to the video meeting was also made available to the public. At Ms. Corbin's request, Jonathan Hilliker provided instructions for those participating remotely, including guidelines on how to provide public comment.

Ms. Corbin requested public comments. There being none, she announced that two Authority members were absent – Carl English and Jennifer Grau – therefore, the discussion on the Executive Director position would be conducted at a Special Authority meeting on September 17, 2021. Ms. Corbin noted a goldenrod to the agenda that reflected this change, as well as a goldenrod to the memo in Tab F for clarification purposes.

Ms. Corbin proceeded with a presentation on the Governor's Opportunity Investment Recommendation. She explained that the American Rescue Plan provides Michigan with \$6.5 billion dollars at the state level and \$4.4 billion to cities and counties. The proposals include 22 separate investments that fall into three categories: (1) Educate Workers and Grow the Middle Class, (2) Support Small Businesses and Create Better Jobs, and (3) Invest in Communities. Ms. Corbin encouraged anyone with feedback to get in touch with her office or Gary Heidel, the Authority's Acting Executive Director.

For the Executive Director's Report, Mr. Heidel asked several Authority staff to provide updates on several key programs and initiatives. To begin, Mark Garcia, Legislative Liaison, gave an overview of relevant legislation at the state level. Mr. Garcia explained that every bill introduced at the state level is assigned a lead agency. Currently, there are twelve Senate Bills and eleven House Bills assigned to the Authority. Four of these bills originated with the Authority, including legislation that would give the Resident member full voting rights on the Board, allowing the Board to meet virtually in perpetuity, permitting the Authority to purchase its own debt, and allowing an increase in purchase price limits for single family products. Mr. Garcia also noted the legislative efforts of the Michigan Housing Coalition, which is seeking to address issues related to matters such as the creation of attainable housing, tax credits and PILOTs (Payments in Lieu of Taxes).

Following Mr. Garcia's report, Jennifer Bowman, Special Assistant for Federal Legislative Strategy, provided an update on current legislative matters at the federal level. She explained the process of working with Michigan's congressional delegation, as well as the Governor's Washington, D.C. office, to advocate on matters of importance to the Authority. Most recently, the focus has been on the Reconciliation Plan, which requires congressional committees to advance new federal spending by September 15, 2021. Items of particular interest to the Authority include increased spending on matters such as HOME, the Housing Trust Fund, down payment assistance, and housing tax incentives.

Mary Townley, Director of Homeownership, provided an update on the Housing Assistance Fund. She announced that the plan was submitted to the U.S. Department of Treasury (“Treasury”) on August 13, 2021. While awaiting a response, Ms. Townley and her staff are working on setting up operations for the program. In anticipation approval, staff are setting up the requisite computer operations and reaching out to stakeholders such as county treasurers, non-profit and legal-aid organizations. Ms. Townley told Authority members that as soon as she receives feedback from the Treasury, they would receive a copy of the updated plan. In response to an Authority member question, Ms. Townley also agreed to provide them with any comments received from Treasury.

Kelly Rose, Chief Housing Solutions Officer, discussed the COVID Emergency Rental Assistance Program (CERA). Ms. Rose noted that \$170 million in payments have been made to tenants, landlords and utility companies. Eviction cases are being prioritized and most applications are processed and funded within 30 days. On average, there are about 3,500 cases a week, and the average assistance amount is \$6,600.00. Ms. Rose also noted that 38% of the applications are from Wayne County. Additionally, Ms. Rose explained that if a certain amount of funds are not spent by September 30, 2021, Treasury could reallocate the funds. However, she believes the Authority should be able to avoid a reallocation of funds. Ms. Rose also noted that Michigan should receive \$423 million from the American Rescue Plan Act’s second round of funding, which she expects to be appropriated by the state legislature this fall. She explained that 75% of this funding would need to be spent by March, 2022.

Ms. Rose was asked to address whether there may be any changes to the CERA program due to recently released Treasury guidelines. Ms. Rose responded that because Treasury’s guidance requires self-attestation of income, she and her staff will now utilize whatever documents an applicant uploads when submitting an application. This will eliminate the need to request additional income information from applicants. As far as other guidance, Ms. Rose explained that most of it is already a part of the program; however, she will be looking into the bulk payment provision to see if it is possible to capitalize on that flexibility.

In response to additional questions regarding the number of applicants from Wayne County, Ms. Rose explained that she is continuing to meet with the City of Detroit and exploring ways to add additional providers in that region. She noted that many nonprofits are turning down requests to assist with the program because it would require them to expand their staff substantially. Additionally, Ms. Rose confirmed that this is not an issue in most areas of the state – she stated that most counties are keeping up with the volume of applications and have already processed about 70% of applications.

To conclude the Executive Director’s report, Tiffany King, Office of Equity and Engagement, discussed the Statewide Housing Plan. She explained that efforts are continuing to create Michigan’s first Statewide Housing Plan. The State Agency Group that was established is meeting with various agencies and providing input to improve housing outcomes for Michigan residents. Ms. King further noted that over 6,500 responses to the Statewide Housing Survey are being analyzed to determine other focus areas. Additionally, there are plans to increase public engagement through avenues such as virtual townhalls and a newsletter.

Approval of Agenda:

Deb Muchmore moved approval of **Tab A (Agenda)**. Tyrone Hamilton supported. The agenda was approved.

Voting Items:

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

The Consent Agenda included the following items:

- Tab B Minutes – July 22, 2021
- Tab C Minutes – August 2, 2021
- Tab D Michigan State Housing Development Authority Resolution Adopting Revised Mortgage Loan Increase Policy

Regular Voting Items:

Jeff Sykes, Chief Financial Officer, and Craig Hammond, Bond Counsel, Dickinson Wright presented **Tab E: Michigan State Housing Development Authority First Resolution Supplementing Series Resolution Authorizing the Issuance and Sale of Rental Housing Revenue Bonds, 2016 Series E in an Amount not to Exceed \$35,575,000.** Mr. Sykes reviewed the business terms of the transaction, while Mr. Hammond reviewed the resolution as detailed in the board docket.

Ron Farnum, Assistant Attorney General, confirmed the bond documents in **Tab E** were acceptable for the Board’s action.

Clarence Stone, Director of Legal Affairs, confirmed the bond documents in **Tab E** were acceptable for the Board’s action.

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

Regina Bell	Yes	Jennifer Grau	Absent
Susan Corbin	Yes	Tyrone Hamilton	Yes
Carl English	Absent	Deb Muchmore	Yes
Rachael Eubanks	Yes	Michele Wildman	Yes

There were 6 “yes” votes. The resolution was approved.

Clarence Stone, Director of Legal Affairs, presented **Tab F: Michigan State Housing Development Authority Resolution Authorizing Election to Allow Allocation by the Michigan State Treasurer of an Amount Not to Exceed \$50,000,000 of Private Activity Volume Cap to the Economic Development Corporation of the County of Grand Traverse for Oakleaf Village, Garfield Township, Michigan.** Mr. Stone reviewed the documents as detailed in the board docket.

Deb Muchmore moved approval of **Tab F**. Tyrone Hamilton supported. The following Roll Call was taken for **Tab F**:

Regina Bell	Yes	Jennifer Grau	Absent
Susan Corbin	Yes	Tyrone Hamilton	Yes
Carl English	Absent	Deb Muchmore	Yes
Rachael Eubanks	Yes	Michele Wildman	Yes

There were 6 “yes” votes. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab G: Resolution Authorizing Modification to Mortgage Terms, Greenwood Village II, MSHDA Development No. 1027, City Of Hillsdale, Hillsdale County**. Mr. Wieber reviewed the documents as detailed in the board docket.

Tyrone Hamilton moved approval of **Tab G**. Regina Bell supported. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab H: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Parkwood Manor I, MSHDA No. 290-1, Van Buren Township, Wayne County** and **Tab I: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Parkwood Manor II, MSHDA No. 293 (FKA 290-2), City of Belleville, Wayne County** concurrently. Mr. Wieber reviewed the documents for each Tab as detailed in the board docket.

Michele Wildman moved approval of **Tab H**. Deb Muchmore supported. The resolution was approved.

Deb Muchmore moved approval of **Tab I**. Regina Bell supported. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab J: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition Suffolk Court, MSHDA Development No. 1008, City of Flushing, Genesee County**. Mr. Wieber reviewed the documents as detailed in the board docket. Authority member Regina Bell asked to confirm how Authority staff verify that requisite conditions for a transaction are being met. In response, Mr. Wieber stated that in this case, the Director of Asset Management would not agree to the loss spread if the conditions are not met at the time of final closing. Ms. Bell stated that for her own understanding, she had additional questions concerning how staff confirm that specific conditions are honored; Mr. Heidel indicated that a separate meeting would be scheduled for Ms. Bell with Troy Thelen, Director of Asset Management and Mr. Wieber, to further discuss the process in general.

Tyrone Hamilton moved approval of **Tab J**. Deb Muchmore supported. The resolution was approved.

John Hundt, Rental Development presented **Tab K: Resolution Authorizing Modification to Mortgage Terms, Mack Alter, MSHDA Development No. 3805, City of Detroit, Wayne County**. Mr. Hundt reviewed the documents as detailed in the board docket.

Michele Wildman moved approval of **Tab K**. Regina Bell supported. The resolution was approved.

Matthew Schoenherr, Communications presented **Tab L: Resolution Authorizing Professional Services Contract with Perich + Partners LTD**. Mr. Schoenherr reviewed the documents as detailed in the board docket.

Michele Wildman moved approval of **Tab L**. Deb Muchmore supported. The resolution was approved.

Matthew Schoenherr, Communications presented **Tab M: Resolution Authorizing Professional Services Contract with Water Hill Creative, Inc for an Amount Not to Exceed \$750,000.00**. Mr. Schoenherr reviewed the documents as detailed in the board docket.

Tyrone Hamilton moved approval of **Tab M**. Deb Muchmore supported. The resolution was approved.

There being no additional remarks, Ms. Corbin noted the following reports were included for information: **(Tab 1)** MSHDA Rental Housing Revenue Bonds: Pricing Overview; **(Tab 2)** Hardest Hit Report, **(Tab 3)** Current and Historical Homeownership Data, **(Tab 4)** Homeownership Production Report, **(Tab 5)** MI 10K DPA Monthly Statistics (Map), **(Tab 6)** MI 10K DPA Weekly Statistics (Graph), and **(Tab 8)** 2021 Board Calendar.

Ms. Corbin reminded Authority members that there will be a special board meeting on September 17, 2021, to discuss the Executive Director position. The next regular board meeting is September 23, 2021.

There being no additional comments, Ms. Corbin requested a motion to adjourn. Rachael Eubanks moved to adjourn, and Tyrone Hamilton supported. The meeting adjourned at 11:24 p.m.

REVIEWED
By Lisa Ward at 8:21 am, Sep 02, 2021

APPROVED
By Clarence Stone at 8:25 am, Sep 02, 2021