

**Michigan State Housing Development Authority
Minutes of Authority Meeting
May 20, 2021 – 10:00 a.m.**

**Regular Meeting Held via Microsoft Teams in Accordance with Public Act 228 of
2020 amending Section 3 (MCL 15.263) of the “Open Meetings Act” (1976 PA 677)**

AUTHORITY MEMBERS PRESENT AND LOCATION:

Regina Bell, Detroit, Wayne County, Michigan
Susan Corbin, Petoskey, Emmet County, Michigan
Carl English, Village of Bingham Farms, Oakland County, Michigan
Rachael Eubanks, East Lansing, Ingham County, Michigan
Jennifer Grau, Lansing, Ingham County, Michigan
Deb Muchmore, Laingsburg, Shiawassee County, Michigan
Michele Wildman for David J. Noel, Genesee County, Michigan

AUTHORITY MEMBERS ABSENT:

Tyrone Hamilton

OTHERS PRESENT VIA MICROSOFT TEAMS:

Gary Heidel, Acting Executive Director
Maria Ostrander, Executive
Clarence Stone, Legal Affairs
Richard Norton, Legal Affairs
Lisa Ward, Legal Affairs
Mary Cook, Operations
Troy Thelen, Asset Management
Justin Wieber, Asset Management
Jeffrey Sykes, Finance
Mary Townley, Homeownership
Mark Garcia, Executive
Jonathan Hilliker, Executive
Katie Bach, Communications
Anna Vicari, Communications
Tiffany King, Office of Equity and Engagement
Tonya Young, Neighborhood Housing Initiatives
Pierre-Denise Gilliam, Neighborhood Housing Initiatives
Sherry Hicks, Operations
John Hundt, Rental Development
Chad Benson, Rental Development
Elizabeth Rademacher, Rental Development
Kelly Rose, Rental Assistance and Homeless Solutions
Lisa Kemmis, Rental Assistance and Homeless Solutions

Ronald Farnum, Office of Attorney General
John Millhouse, Office of Attorney General
Lori Fedewa, Human Resources
Amber Martin, Human Resources
Kris Nied, Miller Canfield
Craig Hammond, Dickinson Wright
Sandy Pearson, Habitat for Humanity
Luke Forrest, Community Economic Development Association of Michigan (CEDAM)

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

Chairperson Susan Corbin opened the meeting at 10:03 a.m. A quorum was established with the presence of Ms. Corbin, Regina Bell, Carl English, Rachael Eubanks, Jennifer Grau, Deb Muchmore and Michele Wildman. Ms. Corbin asked Jonathan Hilliker to provide an overview of the meeting format, which was being conducted through Microsoft Teams. Mr. Hilliker explained that Board members and presenters were participating by video through a previously provided video link. A separate telephonic conference line linked to the video meeting was made available to the public.

Ms. Corbin requested public comments from teleconference participants. Mr. Luke Forrest, Executive Director of the Community Economic Development Association of Michigan (CEDAM) spoke in support of the Authority's Qualified Allocation Plan (QAP). Mr. Forrest noted some key points found in the QAP for Authority members - the simplified and modernized scoring system, the creation of a better pathway for developers and organizations to participate in the QAP process, and affirming diversity, equity, and inclusion within the QAP.

Ms. Sandy Pearson of Habitat for Humanity thanked Authority members and staff for their continued support and partnership.

Following public comments, Ms. Corbin noted a goldenrod for the Board memo covering Tabs G and H (Multifamily Bond Series A and B), as well as the resolution for Tab H.

Ms. Corbin proceeded with an update on the search for a permanent Executive Director. She explained that a traditional civil service process will be used going forward. The position was posted online and can be viewed at www.michigan.gov/mdcs.

Ms. Corbin also highlighted the progress Michigan is making with its vaccination efforts. Referencing the changing mask requirements and other pandemic related guidelines, Ms. Corbin indicated that she would provide updates on how this will affect employees as the information becomes available. As of now, State of Michigan employees are not returning to the workplace before July 12, 2021.

For the Executive Director's report, Mr. Heidel asked Authority staff to provide updates on key items and programs. To begin, Jeff Sykes, Chief Financial Officer, reviewed the Authority's Financial Report: Quarter and Year to Date Ended December 31, 2020, as provided in Tab 1 of the Board Docket. In his review, Mr. Sykes focused on the balance sheet and income statement. He noted that timing is a key factor when interpreting these reports because the numbers can fluctuate considerably depending on when the funds are drawn. Overall, the Authority has an excess of income over expenses, and he expects more growth in the second half of the year.

Mr. Sykes then presented the proposed 2021-2022 Authority Budget, as detailed in Tab 2 of the

Board Docket. This will be a voting item at the next Authority meeting; as such, members can reach out to discuss any questions or concerns over the next few weeks. Mr. Sykes will also notify Authority members of any changes that occur between now and the next meeting.

Mr. Sykes explained how to read the proposed budget and pointed out the need to account for the various federal programs that the Authority currently administers, as well as programs that may still be created. Therefore, Authority staff must consider potential expenses such as administrative fees and potential salaries and fringes for limited term positions. Mr. Sykes noted the difficulty in estimating these costs due to the uncertainty surrounding what types of resources, if any, the Authority will be receiving. As such, the numbers may change; however, Authority members will be kept up to date throughout the process.

Mr. Sykes also noted some changes that will be made after discussing the proposed budget with the Policy Planning and Human Resources subcommittee. For example, alternate language will be used to better describe certain line items. The "Computer" heading will also include "Information Technology" to better describe the role of Information Technology requirements with administering various programs. Additionally, competitive grants will now be referred to as collaborative grants.

Mr. Sykes noted increased costs within the single family program resulting from an increase in forbearances and the resulting fees. However, he expects the anticipated Housing Assistance Fund to alleviate some of these issues. Once mortgage holders are out of forbearance, these serving fees will go down.

In response to Authority member questions, Mr. Sykes explained the process staff use to monitor the distribution of federal funds. He explained that an Executive Committee meets every Monday morning to touch base and determine the status of anticipated funding. He noted the difficulty planning a budget with uncertainty surrounding the types of assistance to be provided, as well as when funds would be distributed. Mr. Heidel further noted that when certain federal funds are issued, authorization may still be required from the State Legislature, which can affect the timing of what the Authority ultimately receives.

Mr. Sykes ended with an update on the Single Family Bond deal. This will also be a voting item at the next Authority meeting. He noted that the deal will include the funds needed to finance the new Homeownership Refinance Program. This program will reduce interest rates for homeowners, as well as keep earning assets on the Authority's books. In response to Authority questions, Mr. Sykes stated that he expects the average homeowner to save about \$550 a year with this program.

Following Mr. Sykes' report, Chad Benson, Director of Development and Elizabeth Rademacher of the Authority's Low Income Housing Tax Credit program, discussed the proposed Qualified Allocation Plan ("QAP"). The QAP is amended every two years to ensure it reflects the Authority's priorities. Mr. Benson explained that it is an intentionally long process to allow for as much community feedback as possible. The QAP is designed to address Michigan's highest needs, ensure the efficient use of credits, as well as utilize best practices.

Ms. Rademacher explained that while preparing the QAP, staff focused on several key elements: working to ensure the equitable distribution of resources throughout the state, the production of more units and resource efficiency, greener and healthier housing, as well as a commitment to diversity, equity, and inclusion in this and future QAPs.

The process began in December 2020 with a public information hearing. Since that time, staff have been conducting ongoing stakeholder meetings and have met with groups such as developers, equity providers, and permanent supportive housing service agencies. In response to feedback,

there have been many revisions; the latest draft of the QAP was provided to Authority members yesterday and posted on the Authority's website.

Mr. Benson further elaborated on specific changes, including a focus on urban and rural balance in the distribution of resources, a Tribal Housing set-aside, disaster credits, overburdened households, and deep rent and income targeting.

Mr. Benson was asked to identify any lessons learned by comparing this process to prior years. He noted that the virtual meeting requirement has been positive in allowing additional people to participate in the public hearings. Mr. Heidel added that the process has been very different this year due to the pandemic. This caused many issues to come to the forefront, including a focus on energy efficiency, equity, inclusion and diversity and the need for an increase in the production of low-income units.

In response to additional comments, Mr. Benson confirmed that staff recognize this as a limited resource, and the focus is on an equitable – and not necessarily equal - distribution of resources. Mr. Heidel also pointed out that it is necessary to look at all of MSHDA's programs as a whole to ensure equity throughout the state. MSHDA's various programs are designed to do this in a comprehensive way, and there are different programs for different needs throughout the state.

Staff were also asked whether MSHDA uses a GIS (Geographical Information System) to compare data from across the state and whether this can be shared with Authority members. Mr. Heidel confirmed that they do use this type of data and often work with David Allen of the Authority's Office of Market Analysis and Research to ensure equity of programs across the state.

Following the QAP report, brief updates were provided for other key programs. Mary Townley, Director of Homeownership, updated Authority members on the Housing Assistance Fund. She noted that her team is currently putting together program guidelines. Upon completion, they will seek comment from Authority members, as well as stakeholders within the community. Ms. Townley anticipates the final guidelines will be submitted to the Treasury Department by late June. The Treasury Department has promised a quick review process in early July. Ms. Townley hopes the program will be up and running in August. She also noted that assistance for delinquent property taxes will be available. In response to Authority questions, Ms. Townley confirmed that she will be engaging with county treasurers to ensure they are balancing available aid.

Tiffany King of the Office of Equity and Engagement gave an update on the Strategic Planning process. She noted that the fourth partner advisory meeting took place this week. Within the state agency partner group, round tables – referred to as solution groups – have been established. Ms. King and her team are also working to finalize two reports – the Housing Finance Agency Benchmarking Report and the results of the Statewide Housing Survey. She hopes to have these available for review in the coming weeks.

Kelly Rose, Chief Housing Solutions Officer, gave an update on the COVID Emergency Rental Assistance Program (CERA). She noted that 25,000 applications have been received statewide and about 3,700 applications have been approved. Approximately three quarters of the applications have included requests for utility assistance. Ms. Rose and her team are working closely to increase efficiency with a goal of approving 2,000 applications a week. She is also reviewing new guidance from the Department of Treasury on how to improve efficiency.

Lisa Kemmis of Rental Assistance and Homeless Solutions notified Authority members of new Emergency Housing Vouchers issued from the Department of Housing and Urban Development (HUD). As part of the American Rescue Plan, she is expecting 779 emergency vouchers. HUD has

also provided a bonus structure to get people housed quickly. As such, Ms. Kemmis and her team are taking the necessary steps to ensure the additional vouchers can be issued as soon as possible.

Voting Issues:

Approval of the Agenda (**Tab A**):

Deb Muchmore moved approval of **Tab A (Agenda)**. Jennifer Grau supported. The following Roll Call was taken for **Tab A**:

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

There were 7 “yes” votes. The agenda was approved.

Consent Agenda (Tabs B through F) The consent agenda included the following items:

- Tab B Minutes – April 22, 2021
- Tab C Inducement Resolution, **The Porter Apartments**, City of Lansing, Ingham County, MSHDA No. 44c-184
- Tab D Resolution Authorizing Mortgage Loan Increases for **Brentwood Apartments, MSHDA Development No. 3853 (F.K.A. 3856)**, City of Belding, Ionia County
- Tab E Resolution Authorizing Mortgage Loan Increases for **Carriage Place Apartments, MSHDA No. Development No. 3926**, City of Pontiac, Oakland County
- Tab F Resolution Authorizing Mortgage Loan Increases for **Greenbriar Apartments, MSHDA Development No. 3852**, City of Greenville, Eureka Township, Montcalm County

Regina Bell moved approval of the consent agenda. Michele Wildman supported. The following Roll Call was taken for the Consent Agenda:

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

There were 7 “yes” votes. The consent agenda was approved.

Regular Voting Items:

Jeff Sykes, Chief Financial Officer, and Craig Hammond, Bond Counsel with Dickinson Wright, presented both **Tab G, Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Rental Housing Revenue Bonds, 2021 Series A in an Amount Not to Exceed \$300,000,000** and **Tab H, Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Rental Housing Revenue**

Bonds, 2021 Series B in an Amount Not to Exceed \$135,000,000. Mr. Sykes discussed the business terms, and Mr. Hammond reviewed the resolutions as detailed in the board docket.

Ron Farnum of the Attorney General’s Office confirmed that the documents in **Tabs G and H** were acceptable for the Board’s action.

Clarence Stone, Director of Legal Affairs, also confirmed that the documents in **Tabs G and H** were acceptable for the Board’s action.

Carl English moved approval of **Tab G**. Deb Muchmore supported. The following Roll Call was taken for **Tab G**:

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

There were 7 “yes” votes. The resolution was approved.

Jennifer Grau moved approval of **Tab H**. Michele Wildman supported. The following Roll Call was taken for **Tab H**:

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

There were 7 “yes” votes. The resolution was approved.

Clarence Stone, Director of Legal Affairs and Kristin Nied, Bond Counsel with Miller Canfield, presented the resolutions in **Tab I, Resolution Authorizing Issuance and Sale of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2021 (Woodland Hills Apartments Project)** and **Resolution Authorizing Loan, Woodland Hills Apartments, City of Jackson, Jackson County, MSHDA No. 44c-183**. Mr. Stone discussed the loan resolution, and Ms. Nied reviewed the bond resolution as detailed in the board docket.

John Millhouse of the Attorney General’s Office confirmed that the documents in **Tab I** were acceptable for the Board’s action.

Clarence Stone also confirmed that the documents in **Tab I** were acceptable for the Board’s action.

Carl English moved approval of **Tab I**. Michele Wildman supported. The following Roll Call was taken for **Tab I**:

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

There were 7 “yes” votes. The resolutions were approved.

Justin Wieber, Asset Management, presented **Tab J, Resolution Authorizing Waiver of**

Mortgage Loan Prepayment Prohibition, Meadows at Anchor Bay, MSHDA Development No. 985, City of New Baltimore, Macomb County. Mr. Wieber reviewed the documents as detailed in the board docket.

Carl English moved approval of **Tab J**. Regina Bell supported. The following Roll Call was taken for **Tab J**:

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

There were 7 “yes” votes. The resolution was approved.

Tiffany King, Office of Equity and Engagement, presented **Tab K, Resolution Authorizing Extension and Amendment to Professional Services Contract with Public Policy Associates, Inc.** Ms. King reviewed the documents as detailed in the board docket.

Jennifer Grau moved approval of **Tab K**. Michele Wildman supported. The following Roll Call was taken for **Tab K**:

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

There being no additional remarks, Ms. Corbin mentioned the following reports were included for information: **(Tab 1)** Michigan State Housing Development Authority Financial Report: Quarter and Year to Date Ended December 31, 2020, **(Tab 2)** Michigan State Housing Development Authority Proposed 2021-2022 Budget, **(Tab 3)** Short Term Relief Report, **(Tab 4)** Hardest Hit Report, **(Tab 5)** Current and Historical Homeownership Data, **(Tab 6)** Homeownership Production Report, and **(Tab 7)** 2021 Board Calendar.

Ms. Corbin noted the next regular Board meeting is scheduled for June 17, 2021.

There being no additional comments, Ms. Corbin requested a motion to adjourn. Deb Muchmore moved to adjourn, and Jennifer Grau supported. The meeting adjourned at 11:57 a.m.

REVIEWED
By Lisa Ward at 12:45 pm, May 27, 2021

REVIEWED
By Clarence Stone at 4:21 pm, May 27, 2021