

**Michigan State Housing Development Authority  
Minutes of Rescheduled Regular Authority Meeting  
October 21, 2021 – 9:00 a.m.**

**AUTHORITY MEMBERS PRESENT IN LANSING**

Regina Bell  
Susan Corbin  
Carl English  
Rachael Eubanks  
Jennifer Grau  
Deb Muchmore  
Michele Wildman for Quenton L. Messer, Jr.

**AUTHORITY MEMBERS ABSENT**

Tyrone Hamilton

**OTHERS PRESENT IN LANSING**

Gary Heidel, Acting Executive Director  
Clarence Stone, Legal Affairs  
Lisa Ward, Legal Affairs  
Lori Fedewa, Human Resources  
Chris Hall, Information Technology

**OTHERS PRESENT VIA MICROSOFT TEAMS**

Katie Bach, Communications  
Chad Benson, Rental Development  
Kendra Beulah, RAHS  
Michael Binegar, Information Technology  
Diana Bitely, Legal Affairs  
Sarah Bohne, Homeownership  
Jennifer Bowman, Executive  
Carol Brito, Homeownership  
Odessa Carson, Office of Equity and Engagement  
Carolyn Cassel, RAHS  
Mary Cook, Operations  
Laurie Cummings, Market Research  
Amanda Curler, Legal Affairs  
Sara Driver, RAHS  
Danielle Embry, RAHS  
Renee Ferguson, Homeownership  
Molly Ford, Communications  
Katherine French, RAHS  
Christina Garza, Finance

Vickie Guzman, Asset Management  
Kara Hart-Negrich, Legal Affairs  
Etta Henderson, Rental Development  
Sherry Hicks, Operations  
Jonathan Hilliker, Executive  
Jack Ho, RAHS  
Randy Horstman, RAHS  
Tameika Howell  
Tyler Hull, Rental Development  
John Hundt, Rental Development  
JT Johnston, Rental Development  
Thomas Jones, Rental Development  
Michelle Jurkovic, Finance  
Lisa Kemmis, RAHS  
Tiffany King, Office of Equity and Engagement  
Jesse Knapp, Information Technology  
Michelle Locher, Executive  
Amber Martin, Human Resources  
Jessica Mays, RAHS

Thomas McKee, Market Research  
Casey Miller, Asset Management  
Christine Miller, RAHS  
Trenton Mitchell, Rental Development  
Frank Mostek, Audit, Compliance and  
Fraud Investigation  
Michael Naberhuis, Rental Development  
Lila Nelson, Operations  
Richard Norton, Legal Affairs  
Stephanie Oles, RAHS  
Peggy Pertner, RAHS  
Tera Poag, Rental Development  
Cisco Potts, Finance  
Kathy Quigley, Legal Affairs  
Kelly Rose, RAHS  
Jackie Royale, Operations  
Jeffrey Sand, Information Technology  
Daniel Schafer, Information Technology  
Corrie Schmidt-Parker, Legal Affairs  
Lindsey Schmitt, Human Resources  
Rachel Schultz, Homeownership  
Nicholas Shattuck, Rental Development  
Catherine Sheets, RAHS  
Michael Shelden, Audit, Compliance and  
Fraud Investigation  
Charles Smith, Rental Development

Christina Soulard, RAHS  
Andrew Spitzley, RAHS  
Guy Stockard, Rental Development  
John Swift, Legal Affairs  
Jeff Sykes, Finance  
Christina Thelen, Asset Management  
Sherry Thelen, RAHS  
Troy Thelen, Asset Management  
Katy VanHouten, Rental Development  
Anna Vicari, Communications  
Karen Waite, Rental Development  
Jason Weller, RAHS  
Daphne Wells, Operations  
Mark Whitaker, Information Technology  
Justin Wieber, Asset Management  
Heather Williams, Finance  
Tonya Young, Neighborhood Housing  
Initiatives  
Michael Fobbe, Office of Attorney General  
Molly Jason, Office of Attorney General  
John Millhouse, Office of Attorney General  
Ron Farnum, Office of Attorney General  
Donna McMillan, MHT Housing  
Sandy Pearson, Habitat for Humanity

Sixteen additional members of the public participated via the Conference Line: 248-509-0316, Conference ID: 314 706 104. Prior to the start of the meeting, there were technical issues with the original number (248-509-0316, Conference ID: 419 617 944#); therefore, a new number was generated and immediately posted on the Authority's website. This was subsequently sent out to all Interested Parties and staff.

Chairperson Susan Corbin opened the meeting at 9:10 a.m. A quorum was established with the presence of Ms. Corbin, Carl English, Rachael Eubanks, Jennifer Grau, Deb Muchmore and Michele Wildman. Regina Bell arrived at 9:12 a.m. 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 requested public comments from participants. Sandy Pearson of Habitat for Humanity thanked the Authority for its continued partnership and noted that despite the pandemic, they were able to assist 91 new homeowners, complete 665 home repairs, and help 859 active participants through their counseling services. Additionally, Ms. Pearson announced that Habitat for Humanity was recently awarded a second \$1,000,000 grant for the veteran home repair and modification program.

Ms. Corbin announced that the following items were made available to Authority members: (1) a goldenrod to the agenda that removed Tab I and added a new voting item, Tab Q; (2) a goldenrod to correct numbers in the memorandum and proforma for Tab C; (3) a goldenrod to clarify items in the memorandum and staff report for Tab K; and (4) a new voting Item, Tab Q – Resolution to Select Executive Director.

**Approval of Agenda:**

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

**Voting Items:**

**Consent Agenda (Tabs B through H)**. Jennifer Grau moved approval of the consent agenda. Regina Bell supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

- Tab B Minutes – August 26, 2021
- Tab C Resolution Authorizing Modification to Mortgage Terms, **The Village at LaFranier Woods, MSHDA Development No. 3806**, Garfield Township, Grand Traverse County
- Tab D Inducement Resolution, **River Terrace**, City of Benton Harbor, Berrien County **MSHDA No. 44c-185**
- Tab E Resolution Authorizing Fifth Amendment to Amended and Restated Contract by the Department of Attorney General, the Michigan State Housing Development Authority and Holland & Knight, LLP to Extend and Increase the Contract to Retain Designated Holland & Knight Attorneys as Special Assistant Attorneys General
- Tab F Resolution Authorizing Professional Services Contract with Michigan Press Association
- Tab G Resolution Authorizing Professional Services Contract with U.S. Bank, National Association
- Tab H Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

**Regular Voting Items:**

Justin Wieber, Asset Management, presented **Tab J**: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Silver Stone Townhomes, MSHDA Development No. 961**, City of Lansing, Ingham County. Mr. Wieber reviewed the documents as detailed in the board docket.

Carl English moved approval of **Tab J**. Michele Wildman supported. The resolution was approved.

John Hundt, Rental Development, presented **Tab K**: Resolution Determining Mortgage Loan Feasibility, **Hartland Senior Living, MSHDA Development No. 3915**, Hartland Township,

Livingston County and Resolution Authorizing Mortgage Loan, **Hartland Senior Living, MSHDA Development No. 3915**, Hartland Township, Livingston County. Mr. Hundt reviewed the documents as detailed in the board docket, as well as the goldenrods previously distributed to Authority members.

In response to a question from Ms. Grau, Mr. Hundt confirmed that the affordable units were not segregated and were interspersed throughout the building.

Jennifer Grau moved approval of **Tab K**. Regina Bell supported. The resolution was approved.

John Hundt, Rental Development, presented **Tab L: Resolution Determining Mortgage Loan Feasibility, Hechtman I, MSHDA Development No. 3717**, West Bloomfield Township, Oakland County and Resolution Authorizing Mortgage Loan, **Hechtman I, MSHDA Development No. 3717**, West Bloomfield Township, Oakland County. Mr. Hundt reviewed the documents as detailed in the board docket.

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

Tonya Young, Neighborhood Housing Initiatives, presented **Tab M: Resolution Authorizing a Housing Development Fund Grant to Habitat for Humanity of Michigan**. Ms. Young reviewed the documents as detailed in the board docket.

In response to questions from Ms. Bell, Ms. Young confirmed that at the end of each grant term, a report is generated that includes information such as the number of targeted households, as well as Annual Median Income. This type of tracking data is also monitored as payment requests are received throughout the term of the grant. Ms. Young offered to provide this report to Authority members on an annual basis.

In response to a question from Ms. Wildman, Ms. Young explained that funding is distributed across the state through affiliates. While every attempt is made to target each geographical region, awards are subject to availability, as well as which affiliates are submitting applications. Ms. Young also noted that some areas have higher needs and a greater ability to distribute funding.

Michelle Wildman moved approval of **Tab M**. Regina Bell supported. The resolution was approved.

Mark Whitaker, Information Technology, presented **Tab N: Resolution Authorizing the Michigan Department of Technology, Management and Budget to Extend the Professional Services Contract with Kinetech Cloud LLC for Software Services on Behalf of the Authority**. Mr. Whitaker reviewed the documents as detailed in the board docket.

While not specific to this contract, Ms. Bell requested a future presentation that focuses on all the Authority's contracts and a timetable for extensions and/or Requests for Proposals.

Regina Bell moved approval of **Tab N**. Jennifer Grau supported. The resolution was approved.

Jason Weller and Kelly Rose, Rental Assistance and Homeless Solutions, presented **Tab O: Resolution Authorizing Professional Services Contract with C4 Innovations, LLC**. The documents were reviewed as detailed in the board docket.

In response to Authority member questions, Mr. Weller and Ms. Rose confirmed that the contractor has significant experience developing strategic plans that focus on racial equity. They also addressed questions regarding how the plan will be implemented at a local level. Mr. Weller explained that it is based on HUD's Continuum of Care (CoC) program. As such, the contractor has been asked to engage with all 20 of the HUD recognized CoCs within Michigan. The contractor has also laid out a plan that would include assessments of each CoC, as well as the establishment of a committee comprised of representatives from each location.

Jennifer Grau moved approval of **Tab O**. Deb Muchmore supported. The resolution was approved.

Lisa Kemmis, Rental Assistance and Homeless Solutions, presented **Tab P: Resolution Authorizing Professional Service Contract for Independent Contractual Housing Agents**. Ms. Kemmis reviewed the documents as detailed in the board docket.

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

Before proceeding to the next agenda item, Ms. Corbin requested a short break. The meeting reconvened at 9:58 a.m.

Ms. Corbin continued with a discussion of the new item on the agenda – **Tab Q: Resolution – Selection of Executive Director**. She suggested that the Authority focus the discussion on each candidate for the position individually. Going in alphabetical order, Ms. Corbin began with Cami Freeman, Director of Innovation with the Illinois Housing Development Authority.

Authority members discussed and commented on Ms. Freeman's wealth of experience. Both Ms. Bell and Ms. Grau were impressed with her Diversity, Equity, and Inclusion plan. Ms. Wildman and Ms. Muchmore noted Ms. Freeman's insights on urban versus rural communities. Ms. Grau further highlighted Ms. Freeman's experience managing the influx of funding because of the pandemic. Ms. Freeman's strong communications skills, leadership, poise and demeanor were all praised. Authority members also agreed that Ms. Freeman would provide new insight as someone from outside of Michigan.

Authority members continued with a discussion of Amy Hovey, Special Projects Coordinator with the Mott Foundation. It was agreed that her background and experience in housing would be an asset and of value to the Authority. Ms. Bell further noted that Ms. Hovey is a well-known and well-rounded candidate.

Ms. Eubanks highlighted Ms. Hovey's unique perspective having worked in the federal government. She remarked that Ms. Hovey's knowledge and ability to navigate the federal sphere is critical during this unique time of increased federal funding.

Ms. Wildman further noted that she has worked with Ms. Hovey in the past and finds her to be a true professional and problem solver. She believes Ms. Hovey would be very effective with the deployment of federal resources coming into Michigan.

Ms. Grau also mentioned that she worked with Ms. Hovey and took note of her experience leading teams in multiple locations. Ms. Grau raised concerns with the complexity of Ms. Hovey's Financial Disclosure; however, she stated that she did not believe there was a stronger candidate.

Ms. Corbin highlighted Ms. Hovey's private, public, and nonprofit experience.

Next, Authority members discussed Anthony Lentych, Executive Director of the Traverse City Housing Commission. Ms. Grau noted Mr. Lentych's in-state and out-of-state experience, as well as his grassroots background. Ms. Bell commented on Mr. Lentych's experience working with the local housing commission and how that is a unique and helpful skill set. Ms. Wildman indicated she worked with Mr. Lentych in the past and agreed that he brings a diverse set of experiences.

Authority members continued with a discussion of the next candidate, Sandra Pearson, CEO of Habitat for Humanity of Michigan. Ms. Grau commented on Ms. Pearson's MSHDA experience and strong track record in single-family real estate. Ms. Grau also highlighted how Ms. Pearson has strong attention to detail without losing track of the mission. Authority members further praised Ms. Pearson's passion, partnership building, and advocacy.

Finally, Authority members discussed the final candidate, Kelly Rose, Chief Housing Solutions Officer with the Michigan State Housing Development Authority. Ms. Eubanks noted that she is impressed with Ms. Rose's management and leadership skills, as well as how she advocates for people and helps them advance through organizations.

Ms. Bell agreed and noted the importance of building leaders within an organization and believes that Ms. Rose has this skill set. She mentioned Ms. Rose's strong attention to detail and her ability to ensure families receive the services they need.

Ms. Wildman stated that she previously worked with Ms. Rose at the Authority and believes she has a unique ability to take complex content and quickly translate that to into policy. Ms. Wildman stated that she has no doubts that it would be a seamless transition, should Ms. Rose be selected.

Ms. Grau remarked that Ms. Rose was the only candidate to systematically answer every single interview question. Ms. Corbin agreed and highlighted her skills within state government.

Following the discussion, Authority members narrowed it down to their top two candidates – Amy Hovey and Kelly Rose. Ms. Eubanks stated that given the framework set out by the Board, she believes these to be the top candidates.

Ms. Corbin announced that as part of the interview process, candidates were required to submit Financial Disclosures, which were subsequently reviewed by the Authority's Ethics Committee. The purpose of providing this information is to ensure the Authority is protected from any conflicts or appearance of conflicts. Clarence Stone, Director of Legal Affairs, previously provided Authority members with a memorandum detailing the outcome of that review for each of the candidates. At the meeting, he was asked to discuss the disclosures for the final two candidates, Ms. Hovey and Ms. Rose.

Mr. Stone first noted that there is one potential conflict for Ms. Rose; however, it is routine and simple to address. Amy Hovey's Financial Disclosure, however, is more complicated. Mr. Stone explained that Ms. Hovey's husband is an active developer with ties to the Authority. To eliminate the possibility of current or future conflicts of interest, several steps would need to be taken before Ms. Hovey, if selected, could begin a term as Executive Director. First, "conflict walls" would need to be established to prevent Ms. Hovey--or affected staff-- from discussing matters that may involve either a real or perceived conflict. This would include developments in which her husband may have a financial interest, as well as Authority administered programs he may continue to utilize.

Further, because these issues concern Authority run federal programs, a request would need to be made to the Department of Housing and Urban Development's (HUD) Detroit Field Office for (a) an "exception" under the HOME program and (b) a waiver under the Project-Based Voucher program. Mr. Stone also noted that before a request can be made to HUD, an Advisory Opinion would need to be sought from the State Ethics Board to ensure the proposed conflict walls do not violate state or local law. To allow enough time to complete these steps, Mr. Stone explained that, if selected, Ms. Hovey likely could not start until December 2021 to January 2022.

Ms. Wildman asked Mr. Stone to explain what a conflict wall looks like and what it would mean in terms of programs such as the Qualified Allocation Plan (QAP).

Mr. Stone explained that Ms. Hovey would need to sign a written acknowledgement that would detail the prohibitions and contain a list of programs and staff affected. For example, because Ms. Hovey's husband intends to continue participating in the QAP, Ms. Hovey would be prevented from making policy decisions concerning that program or discussing it with staff who administer the program. The Authority would need to designate someone else to make these types of decision, such as a Chief of Staff.

Mr. Stone noted that plan would be a living document that could be changed should any conflicts be added or removed.

Ms. Bell asked whether this has ever been done for prior Executive Directors and the response was no. Ms. Bell also asked how frequently the conflict walls would be reviewed and Mr. Stone responded that he would likely check in with Ms. Hovey and staff quarterly.

In response to a question from Ms. Corbin, Mr. Stone confirmed that Ms. Hovey could receive feedback from the stakeholder community; however, that feedback would need to be turned over to the designated employee for follow up.

Ms. Grau observed that at a strategic level Ms. Hovey could engage; however, at a policy and implementation level she would need to keep a clear distance.

In response to a question from Mr. English, Mr. Stone confirmed that many of the conflict walls are necessary because Ms. Hovey's husband may continue to apply for new funding. However, he also noted that even without future applications, the Authority would still need HUD approval to address conflicts with existing deals.

Mr. English stated that he would be much more comfortable if Ms. Hovey's husband would not continue to seek future funding.

Ms. Corbin noted that Mr. Hovey does not have any current applications pending and that he may not apply in the future. If he does, however, there are other models in state government where these types of accommodations have been made, such as designating a Chief of Staff. Ms. Corbin also expressed concern with someone not given an opportunity because of his or her spouse's employment. Ms. Bell agreed and remarked that it is helpful knowing these types of circumstances have occurred within other state agencies.

Ms. Eubanks further mentioned that when someone is passionate about a subject area, it is not unlikely for them to have other things in their life related to it, as was the case with most of the candidates. While she acknowledged Ms. Hovey's situation is the most complicated, she believes

it goes back to questions of ethics and whether a candidate can be trusted. However, she noted that Ms. Hovey has been very transparent throughout this process. Ms. Corbin noted her appreciation for the transparency and dialogue, not only for the board but also for stakeholders and staff.

Ms. Muchmore observed that board members have a fiduciary responsibility to protect the Authority first and foremost and she expressed concern for staff under this scenario. Specifically, she asked what types of protections would be in place for staff as they make decisions.

Mr. Stone responded that it would be clear that if there were issues to contact him or Rick Norton, Deputy Director of Legal Affairs right away. They would immediately get involved to avoid any real or perceived conflicts. He believes that most staff would understand that concerns and complaints will be taken seriously.

Ms. Wildman asked how many how many staff members would be affected. Mr. Stone responded that it would be a large number; however, in most cases an Executive Director would not talk to someone at a nonmanagerial level so it should not affect day to day duties.

Acting Executive Director, Gary Heidel confirmed that it was rare for him to interact with nonmanagerial staff; however, there are times when he will speak with a staff member to resolve a Housing Choice Voucher matter.

In response to a question from Ms. Corbin, Mr. Stone confirmed that while a conflict wall would be in place in for affected programs, it would not apply to any other matters necessary for running the Authority.

Mr. Heidel also indicated that out of seventeen of his direct reports, only a few would be affected by conflict walls. He explained that the role focuses more on strategic activities. The only positions potentially affected would be the Chief Housing Investment Officer and the Chief Housing Solutions Officer.

Mr. English asked why Ms. Rose's conflict was not disclosed at the meeting. Mr. Stone responded that it concerned a property her parents owned in which she could some day have an interest. If there were tenant based vouchers, a conflict wall may need to be established to prevent any potential future conflicts.

Ms. Wildman questioned what would happen if the State Ethics Board returned a negative decision. Mr. Stone indicated they would need to determine the reason and whether it was something that could be fixed. He further confirmed that the State Ethics Board would need to review the request at a public meeting. The next meeting is scheduled for December; however, it is unclear if a special meeting could be held sooner.

Ms. Muchmore noted that this conversation is very important to the Authority and its reputation.

Ms. Wildman asked how long the process with HUD may take. Mr. Stone responded that the request would go to the Detroit Field office and not Washington, D.C.; therefore, he does not expect a long wait for a response.

Ms. Grau noted that when she joined the Authority Board, she was asked to resign from other boards that have Authority dealings. She believes this process would be much easier if the conflicts only involved past and/or current dealings. While concerned about Ms. Hovey's

husband's potential applications for future funds, she still wants to move forward. She expressed her preference for selecting Amy Hovey as Executive Director.

Rachael Eubanks agreed and noted the State Ethics Board should be allowed to review the matter. She also noted that Ms. Hovey could benefit from feedback about this conversation.

Mr. Stone confirmed that the selection could be changed depending on responses from the State Ethics Board and HUD. If selected, Ms. Hovey could not start until these issues are resolved. If they cannot be resolved, the Authority has the option to rescind the offer and select a different candidate.

Mr. English commended the Authority on its work over the course of the pandemic and believes one of the reasons it has been so successful is because of its current Acting Executive Director and the stability he provides. Mr. English expressed concern that if there is a new governor after the next election, the person they select could be removed and the search for a permanent Executive Director would need to start over. He stated his preference to keep Mr. Heidel as Acting Executive Director until after the gubernatorial election to avoid subjecting the Authority to more turnover.

Ms. Corbin responded that while it has not always been in the past, the Executive Director position is now a classified position; therefore, the selected candidate would enter a two year contract, which would need to be respected. Mr. English questioned whether someone could be arbitrarily removed; Ms. Corbin remarked that all civil service procedures would need to be followed.

Ms. Corbin recognized that several members stated their preference to conditionally offer the position of Executive Director to Ms. Hovey. To proceed, the resolution in **Tab Q, Resolution – Selection of Executive Director**, would need to be amended to add the candidate's name to paragraph 1 of the resolution.

Rachael Eubanks moved to amend the resolution in **Tab Q, Resolution – Selection of Executive Director** by adding the name of Amy Hovey to the resolution. Regina Bell supported. There were 5 "Aye" votes and 2 "Nay" votes. (Ms. Bell, Ms. Corbin, Ms. Eubanks, Ms. Grau, and Ms. Wildman voted yes; Mr. English and Ms. Muchmore voted no.) The resolution was approved.

Ms. Muchmore asked to confirm that this was a vote to offer the position and not a vote recommending a candidate to the Executive Office. Ms. Corbin confirmed that the vote was to conditionally offer the position of Executive Director to Ms. Hovey.

Rachael Eubanks moved to approve the resolution, as amended in **Tab Q, Resolution – Selection of Executive Director**. Regina Bell supported. There were 5 "Aye" votes and 2 "Nay" votes. (Ms. Bell, Ms. Corbin, Ms. Eubanks, Ms. Grau, and Ms. Wildman voted yes; Mr. English and Ms. Muchmore voted no.) The amended resolution was approved.

Mr. English announced that he voted "no" because he did not feel the conflict walls were worth all the complexities. Ms. Muchmore agreed and noted that the fact that they are having this level of conversation is an issue. She stated that perception is reality.

There being no additional discussion, Ms. Corbin requested a motion to adjourn the meeting. Ms. Eubanks moved to adjourn, and Regina Bell supported. The meeting adjourned at 11:30 a.m.

REVIEWED  
By Lisa Ward at 3:40 pm, Oct 28, 2021

REVIEWED  
By Clarence Stone at 6:01 pm, Oct 28, 2021