

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
May 19, 2021

Meeting Time and Location: **7:00pm**
Virtual Zoom Meeting Ann Arbor, MI

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of January 20, 2021
- III. NEW BUSINESS
 - A. Resolution 21-8 To Approve a Contract with Lead4America for a Fellow of up to \$39,000/year for 2 years
 - B. Resolution 21-9 To Approve up to \$25,000 to Acquire a Portion of the St. Joseph Property Adjacent to West Arbor
 - C. Resolution 21-2 To Approve the Annual Officer Elections of Board
 - D. Resolution 21-3 To Approve the FY22 Annual Budget
 - E. Resolution 21-4 To Approve the Maple Tower FY20 Audit
 - F. Resolution 21-5 To Approve the River Run FY20 Audit
 - G. Resolution 21-6 To Approve the West Arbor FY20 Audit
 - H. Resolution 21-7 To Approve the Swift Lane FY20 Audit
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
January 20, 2021

Meeting Time and Location: **7:47 p.m.**
Zoom Meeting On-Line

President Meadows convened the meeting at 7:47 p.m.

Board Members present: Thierry Batalonga, Dr. Lee Meadows, Jennifer Hall, Dr. Mary Jo Callan, Dr. Steven Daniels,
Board Members absent: Patricia Jenkins

I. Approval of Agenda

Batalonga moved and *Daniels* seconded.

Motion approved 5 – 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

II. Approval of Minutes Regular Board Meeting Minutes of October 21, 2020

Callan moved and *Daniels* seconded.

Motion approved 5 – 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

III. NEW Business

A. Resolution 21-1 To Approve the FY20 (July 2019 to June 2020) AAHDC 990 Tax Return

Batalonga moved and *Daniels* seconded.

Motion approved 5 – 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

B. Resolution 21-2 To Approve Negotiation of a Purchase Agreement to Acquire 1917 Washtenaw, Ann Arbor 48104

IV. Adjournment

Daniels moved and *Batalonga* seconded.

Motion approved 5 – 0 (Batalonga, Meadows, Daniels, Callan, Hall - yes, 0 – no)

Meeting adjourned 8:13 PM

RESOLUTION 21-8 AAHDC

Resolution to Approve up to \$39,000/Year for a 2-Year Contract with Lead4America Fellowship

Lead4America is a non-profit whose mission is to develop community leaders working in pursuit of public service. L4A provides a learning environment and support through its Catalyst Institute, for young people to work in their community as fellows for 2-years. L4A raises donations to supplement local funding to pay for the fellowship.

The L4A fellowship is a competitive process that leads to selecting fellows and connecting them with host organizations. L4A contacted the AAHC to find out if we would host Bryce Allmacher, a recent graduate of the University of Michigan in Political Science, Communication and the Media. Mr. Allmacher is from Southeast Michigan and has volunteered at several local organizations including the Shelter Association of Washtenaw County and is very interested in social justice and addressing housing inequity.

Weneshia Brand has offered to provide direct supervision to Mr. Allmacher and she is proposing that they work together on the following issues:

- HUD Family Self-Sufficiency (FSS) Program: Research and propose an employment assessment policy and procedure as it relates to suitable employment.
- HUD Violence Against Women Act (VAWA): Research and propose an emergency transfer policy in compliance with VAWA.
- Apprenticeship and HUD Section 3 Program: Develop an apprenticeship (training and employment) program that encourages economic opportunities for low income individuals, especially residents and participants in AAHC housing and voucher programs. In particular, a maintenance apprenticeship program to work alongside AAHC maintenance technicians.
- HUD Housing Choice Voucher (HCV) Homeownership Program: Develop a survey and marketing tool to recruit HCV families to participant in the Homeownership program.
- HUD HCV Program: Research and develop policies and procedures to recruit, provide incentives, and resources to recruit and retain landlord's in the HCV program.
- HUD HCV Program: Determine practical methods to list available HCV landlord units using the web and/or other electronic formats.

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board approves up to \$39,000/year for 2-years to contract with Lead4America to host a fellow.

RESOLUTION 21-9 AAHDC

Resolution to Approve up to \$25,000 to Acquire Property Adjacent to West Arbor Apartments in Partnership with the City of Ann Arbor Parks Department

The Ann Arbor Housing Development Corporation previously approved \$75,000 for the physical improvement of a 3-parcel site adjacent to West Arbor Apartment that will be acquired by the Parks Land Acquisition Fund (Resolution 20-6). The parks department has significant funding for acquisition, but not improvements and maintenance.

The parks department has been doing due diligence and discovered that a neighbor is encroaching on 1 of the 3 properties (the one immediately adjacent to West Arbor Apartments). This causes complications to the land acquisition process from St. Joseph Mercy Hospital. The parks department will be requesting that City Council approve general funds to purchase this particular parcel and parks acquisition funds for the other 2 parcels.

I talked to the parks staff about splitting this parcel with the AAHC so that we can build storage sheds on the parcel for our tenants at West Arbor. The apartments do not have basements and tenants need a place for bikes, grills, outdoor furniture in the winter and other household items that they lack storage space for.

Further due diligence is needed to determine the value of this parcel compared to the other 2 parcels and we will also need to determine how to split the parcel. However, I am requesting up to \$25,000 as a good faith commitment toward the acquisition of our portion of the parcel, which we will own, rather than the parks department.

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board approves up to \$25,000 toward the acquisition of Lot 272 in partnership with the City of Ann Arbor Parks Department.



City of Ann Arbor

RESOLUTION FY21-2 AAHDC

Resolution to Elect the Board Officers of President, Vice President and Secretary-Treasurer

The Ann Arbor Housing Development Corporation will hold a regular annual meeting of the Board in May or as soon as feasible thereafter, for the purpose of electing officers, passing upon reports of the previous fiscal year, and transacting such other business as may be properly brought before the meeting. The Board must elect 3 officers: President, Vice President, and Secretary-Treasurer. The President and Vice President must be members of the Board but the Secretary-Treasurer does not.

Section 6. President. The President:

- (a) Shall be the principal executive officer of the Corporation, shall supervise and control all of the business and affairs of the Corporation, and unless otherwise determined by the Board, shall preside at all meetings of the Board;
- (b) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed on behalf of the Corporation, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- (c) Shall in general perform all duties incident to the office of the president and such other duties as may be prescribed by the Board from time to time.

Section 7. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him or her by the Board.

Section 8. Secretary-Treasurer. The Secretary-Treasurer shall:

- (a) Keep the minutes of the meetings of the Member and the Board in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and have general charge of the books of the Corporation;
- (d) Keep a register of the names and mailing addresses of all directors and officers;
- (e) Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Corporation containing all amendments thereto (which copies shall always be open to the inspection of the Member and any director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each director;
- (f) Have charge and custody of and be responsible for all funds of the Corporation;
- (g) Be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these Bylaws; and
- (h) In general, perform all the duties incident to the office of Secretary and the office of Treasurer, and such other duties as from time to time may be assigned to him or her by the Board.

WHEREAS, The Ann Arbor Housing Development Corporation at its annual meeting must elect the positions of President, Vice President and Secretary-Treasurer; and

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board appoints the following Board member positions.

Motion by _____ seconded by _____

to appoint _____ for Board President

to appoint _____ for Board Vice President

to appoint _____ for Board Secretary/Treasurer

RESOLUTION 21-3 AAHDC

Resolution to Adopt the FY22 Budget

The Ann Arbor Housing Development Corporation has a July 1 to June 30 fiscal year.

The primary sources of revenue in FY22 are from the final developer fee payment for Swift Lane and cash-flow payments from Maple Tower, West Arbor, and River Run. In regards to the Swift Lane developer fee, we are still waiting to find out what our final downward adjusters will be related to COVID, which will determine the final developer fee amount. We are budgeting \$115,000 as an estimate. In addition, we are budgeting \$100,000 in cash flow payments from Maple, Tower, River Run and Swift Lane

In the budget, you will see revenue of \$500,000 as loan interest payments, and you will also see expenses of \$400,000 bad debt recovery. The loan interest payments are due to the AAHC from our LIHTC entities as cash-flow loans. On paper, we have to record \$500,000 in loan interest payments based on the amortization schedule, but the AAHC is only paid the amount available each year as cash-flow. Since we are estimating that the cash-flow payment will be \$100,000, that leaves \$400,000 in bad debt. This is ok and was purposely underwritten this way.

Projected expenditures include administrative costs such as audit fees, and miscellaneous board and staffing expenses. The budget also includes tenant services for unexpected urgent issues that are not covered by other community resources.

The budget includes a transfer of \$98,684 to Central Office to cover the estimated budget shortfall in Central Office/Voucher program for FY22.

The budget includes \$35,000 for Lead4America in year 1 (11 months), which assumes that the Lead4America resolution is approved. If it is not approved, then the fund balance will increase by \$35,000.

The operating budget does not include funding for up to \$25,000 to acquire a portion of the property being sold by St. Joseph Hospital to the City for Parks Acquisition. The \$25,000 is an estimate and the timing is unclear, so I did not include it in the operating budget.

WHEREAS, The Ann Arbor Housing Development Corporation at its annual meeting must adopt a budget for FY22; and

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board adopts the proposed FY22 budget.

RESOLUTION 21-4 AAHDC

Resolution to Accept the FY20 Audit for Maple Tower Ann Arbor LDHA, LP from January 1, 2020 to December 31, 2020

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the Maple Tower, LLC, which is the .01% General Partner of the Maple Tower Ann Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, Yeo and Yeo completed the FY20 audit for Maple Tower LDHA, LP from January 1, 2020 to December 31, 2020; and

WHEREAS, the Maple Tower, LLC and the Maple Tower LDHA, LP 2020 tax returns were filed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the audit for the Maple Tower Ann Arbor Limited Dividend Housing Association, Limited Partnership and acknowledges the document is complete and accurate and grant staff the authority to certify and issue them.

RESOLUTION 21-5 AAHDC

Resolution to Accept the FY20 Audit for River Run Ann Arbor LDHA, LP from January 1, 2020 to December 31, 2020

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the River Run, LLC, which is the .01% General Partner of the River Run Ann Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, Yeo and Yeo completed the FY20 audit for River Run LDHA, LP from January 1, 2020 to December 31, 2020; and

WHEREAS, the River Run, LLC and the River Run LDHA, LP FY20 tax returns were completed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY20 audit for the River Run Ann Arbor Limited Dividend Housing Association, Limited Partnership and acknowledges the document is complete and accurate and grant staff the authority to certify and issue them.

RESOLUTION 21-6 AAHDC

Resolution to Accept the FY20 Audit for West Arbor Ann Arbor LDHA, LP from January 1, 2020 to December 31, 2020

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the West Arbor, LLC, which is the .01% General Partner of the West Arbor Ann Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, Yeo and Yeo completed the FY20 audit for West Arbor LDHA, LP from January 1, 2020 to December 31, 2020; and

WHEREAS, the West Arbor, LLC and the West Arbor LDHA, LP FY20 tax returns were completed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY20 audit for the West Arbor Ann Arbor Limited Dividend Housing Association, Limited Partnership and acknowledges the document is complete and accurate and grant staff the authority to certify and issue them.

RESOLUTION 21-7 AAHDC

Resolution to Accept the FY20 Audit for Swift Lane LDHA, LP from January 1, 2020 to December 31, 2020

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the Swift Lane, LLC, which is the .01% General Partner of the Swift Lane Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, Yeo and Yeo completed the FY20 audit for Swift Lane LDHA, LP from January 1, 2020 to December 31, 2020; and

WHEREAS, the Swift Lane, LLC and the Swift Lane LDHA, LP FY20 tax returns were completed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY20 audit for the Swift Lane Limited Dividend Housing Association, Limited Partnership and acknowledges the document is complete and accurate and grant staff the authority to certify and issue them.