

## Ferndale Housing Commission Minutes

Of June 14, 2017

A REGULAR MEETING of the Ferndale Housing Commission was held on Wednesday, June 14, 2017 at 5:05 PM in the Withington West Community Room (Board Room) located at 415 Withington, Ferndale, MI 48220.

**A. Roll call:**

Present: DaSilva, Sutherland, Tartaglia, VanPoucker, and Heler  
Absent: Bentley

**B. Approval of the Agenda –**

Motion by DaSilva, seconded by Tartaglia, be it resolved to approve the agenda as presented.  
Ayes: All  
Nays: None  
Abstain: Sutherland  
Motion Passed.

**C. Approval of the minutes:**

*Regular meeting of 5/10/17 –*

Motion by Tartaglia, seconded by DaSilva, be it resolved to approve the Regular meeting minutes of 5/10/17 as submitted.

Ayes: All  
Nays: None  
Motion Passed.

*Special meeting of 5/10/17 –*

Motion by DaSilva, seconded by Tartaglia, be it resolved to approve the special meeting minutes of 5/10/17 as presented.

Ayes: All  
Nays: None  
Motion Passed.

**D. Disbursements:**

Checks reviewed and signed by Heler

Vendor payments:

HVP – water bills – obtained hour by hour and didn't find anything unusual – normal 100+ gallons are normal/day; haven't found any leaks or problems.

HAP register – slowly going up; HUD keeps saying pump the brakes because future funding is unsure

Payroll – no questions

Motion by DaSilva, seconded by Tartaglia, be it resolved to approve the Disbursements as submitted.

Ayes: All

Nays: None

Motion Passed.

Motion by \_\_, seconded by \_\_, be it resolved to approve the Director's Report as submitted.

Ayes: All

Nays: None

Motion Passed.

## **E. New Business**

1. Presentation on Rental Assistance Demonstration (RAD) Program – Ravi Yalamanchi  
Briefly touched on this previously, 165 units, roll back 20 years ago, HUD gave significant funds for property upkeep; funding has been cut each year; Obama administration came up with idea to move public housing units into non-profit supported by voucher program; nothing changes but they receive a voucher allowing staff to leverage for improvements so you can borrow the amount for upkeep; keeps rent/subsidy amount together.

2012 was a demo project; up to 60,000 units were given vouchers by congress, initial setup 11-15,000 signed up, and saw the benefits. HUD was trying to figure out the process, those that signed up got financing; as congressional budgets continued to go down, requests went up to 80,000 units.

Current budget, congress said 225,000 nationwide, now is a good time for us to pursue. It's a long process – takes about a year. Commissioners must agree to proceed; VanPoucker and Yalamanchi will set meeting with residents to explain, submit application to HUD, part involves preliminary financial numbers based on current operating financials, and then in the conversion do environmental testing, physical needs assessment (just completed for next 20 years).

HUD sets the dollar value of improvements. What is financial plan in addressing over the next 20 years, nothing changes for resident in terms of rent calculation, housing. Once approved, the building would be called Withington West LLC, owned and operated by Ferndale Housing Commission for financing; same for Autumn House, etc.

Yalamanchi knows the process and we'd have to be patient. Doesn't expect environmental issues; you understand your financial impacts and how to sustain; once approved you're no long dependent on HUD for funding because you have vouchers. Buildings would operate the same way and Ferndale Housing Commission would cut a rent check each month.

Yalamanchi has helped two senior housing commissions to RAD – have seen more plusses; you don't have all the public housing regulatory headaches; second one converted 8 months ago, financials look good.

VanPoucker stated we have 20-year forecast (close to \$13m); we've revamped everything from foundation, policies and how we want to look and feel and are in the community. How are we going to invest in our properties, let's look big picture and if it's in the best interest of our tenants, and what we can do moving forward. Yalamanchi knows our finances and what we can do; had a listening session with new HUD secretary – sees Public Housing as infrastructure (compete against roads, doesn't see this as our homes); sounds committed to underfunding; talked about public/private partnership and really pushed it.

Tartaglia – where does money come from? Yalamanchi – they have pods, voucher program will always stay and be supported by congress, over the decades you work with private landlord. Advantage – they can go to wherever they want and payment goes to private owner, that owner is invested in the property and pays city taxes which benefits the community.

Tartaglia – will these vouchers be subject to current? Yalamanchi – yes. Current tenants don't have to change anything; if someone wants to move, they can get a voucher to move after 1 year. It is only given one time, voucher is attached to the building, not to the person.

DaSilva – how does this relieve us of the pressure waiting for operating subsidy. Yalamanchi – ex - \$600/month, tenant is paying \$50, difference is from HUD but they've been giving .74 on the dollar; you are expected to operate fully and maintain. With voucher, you get the full \$600, you're going to a different source.

DaSilva – is the master budget for HUD up for approval every year? Yalamanchi - yes, used to be 3-15 years, but if you allocate 15 years, you must enter for 15 years. Now they must appropriate for funds every year. DaSilva – so they're insured for the single year? Yalamanchi – yes but they give you a 15-year commitment, but don't insure what happens afterward with a bit of inflation every year built in.

VanPoucker – part of a RAD conversion is doing capital conversion, concern about deferred maintenance. Might have to do improvements before they qualify. Yalamanchi – once financing mechanism is created you can look as good as any private property, you're not competing because of different finances; it gives you a leg up, you can improve the standards because you know the amount you're getting from the voucher each month.

Yalamanchi – inspections are still Housing Quality Standards (HQS), instead of REAC standards which are different. HQS focuses on safety standards. Moving toward voucher it's focused on real housing standards – safe/working plumbing, electrical.

Sutherland – is decision to go with RAD irrevocable? Yalamanchi – after you sign, it's not revocable.

VanPoucker – can visit Taylor or others to see how those that have converted look like. What are the requirements?

Yalamanchi – make the decision to move forward, meet with residents and explain process/opportunity and submit application; PNA, Environmental information and submit to

HUD. Once they approve, it means you begin the process. HUD will sign 15-year agreement but HUD must review and a legal process begins to establish new lien, establish value and how will you raise the funds? Bonds, tax credits it adds complexity, takes longer; different funding mechanisms; compliance is 15 years; bond financing MISHDA/City would have to support; in some cases, depending on amount, you can do private bank financing. All \$30m is not needed at once up front; initially, do the conversion and then start looking for financing. Yalamanchi can introduce VanPoucker to financiers. Under state law we can issue bonds, but talk with city first.

Sutherland – would this change taxes to city? Yalamanchi – yes, HUD will ask city and you must ask city to continue the pilot; city has always been supportive; if they were to say, deal would not happen; city could let it go to private sector totally and get out of the program.

DaSilva – does it make it easier to take a property off line? Yalamanchi – have turned them into home ownership units, it can be done but needs to look at scattered site homes first. Options change all the time. It's a rolling application process.

DaSilva – do you know who we're competing against? Yalamanchi – pretty much plan to cut out Public Housing funds, CDBG, Capital funds. 2018 budget will set the tone for next few years. PNA – must be 90 or 180 days from date of application – Yalamanchi will check (ours was done in March).

VanPoucker – check cutoff, letter of intent to city, visit Plymouth/Taylor, Ann Arbor doing with tax credits, Plymouth is using vouchers and is similar to Ferndale as far as size, walkable, downtown. Materials shared with resident advisory boards.

## 2. Approval of Updated Policy Review Schedule

Heler – looking at 2<sup>nd</sup>/3<sup>rd</sup> quarter

VanPoucker – look at 4th quarter, went to finance training in Lansing on handbook policies; even years will be bulk of finance schedules; resident survey is ongoing

Heler – can we hold for future meeting? No need to vote today

## 3. Date for Special Meeting/Work Session (Physical Needs Assessment)

Long meeting – after work – at least 2 hours

July 11, 2017 5 – 7 PM at Withington West

## 4. Approval to Schedule Public Hearings on Maintenance Plan & Fee Schedule

VanPoucker reported that the Maintenance Plan/Schedule would go into resident packets; have had informal meetings, need Public Hearing – have included every maintenance issue, normal wear/tear, fees, estimation of life expectancy and broke out average time a task will take. Using time, estimated labor costs and added parts/material. This will give everyone clear expectations and costs. Should complement the resident handbook.

Motion by DaSilva, supported by Sutherland, be it resolved to approve scheduling a Public Hearing date.

Ayes: All  
Nays: None  
Motion Passed.

5. Approval to execute documents and provide requisite certifications to open new bank account to receive non-federal funds. A Separate checking account is necessary to help facilitate funds from contributions and gifts and to keep separate from federal funds.

Motion by Tartaglia, supported by DaSilva, be it resolved to approve the opening of a new bank account to receive non-federal funds.

Ayes: All  
Nays: None  
Motion Passed.

**F. Executive Director's Report:**

VanPoucker – 2 vacancies, 1 will lease this week. Work order log, a lot of prep for outdoor areas, outdoor common areas, checked in to make sure they're back on track for June.

Lease violations – 14 failure to mow

Financial – looks on track, salaries spiked due to third payroll in May; steep cuts anticipated in HUD budget, timing may be pushed out further.

Clean up Ferndale – smashing success – removed rotting railroad ties, horseshoe pit, trimming.

Private carpenter hired for raised bed gardens – check from Community Foundation.

Ferndale Foods will do bingo night for residents.

Began conversations about Resident pay, VanPoucker is researching.

Purchasing – new lights in Autumn House this week, it's different, it's bright, bad news – went over budget but still within dollar amount allocated. Can't find replacement covers for existing lights – instead replaced fixtures; used rebates, didn't do column lights around fence.

Heler – page 3, easement for sidewalk at Autumn House – meeting with CED 6/15/17 this will allow city to maintain, there's no value to it.

Heler - Page 1, 3<sup>rd</sup> item – issue with homes – encourage them

Heler – Page 3, residents piled trash by the chutes and staff had to clear.

Motion by DaSilva, supported by Tartaglia, be it resolved to approve the Executive Director's report as submitted.

Ayes: All  
Nays: None  
Motion Passed.

**G. Old Business:**

1. Resident committee stipend

VanPoucker – will discuss with resident committees further.

**H. Open Call/Call to Audience:**

Carole Morency - thanked the board for sendoff, meant so much to her; beautiful presentation from city too.

Claude – canopy in smoking area outside – found 10 x 20 canopy – if it's raining they have to stand in the rain, can't be near the building. VanPoucker - not comfortable allocating funds but at Autumn House there are 2 movable tables, you could add an umbrella. Cannot support a designated smoking area so it must comply with non-smoking policy.

**I. Call to Resident's Committee Members**

Claude – doing some good activities, question on canopy, lost our secretary (Reggie Sutherland)

**J. Call to Commission**

Do we have a certificate that can be created as a thank you for vendors?

Sutherland – thank you for choosing me

Heler – welcome Reggie Sutherland; keep Jennifer Bentley in your prayers, quite ill

There being no further business, the meeting was adjourned at 6:58 pm.

**The next regular board meeting will take place on Wednesday, July 12, 2017 at 5:00 pm  
in the Community Room at 500 East Nine Mile.**