

**AGENDA**  
**ANN ARBOR HOUSING DEVELOPMENT CORPORATION**  
**REGULAR MEETING**  
**May 20, 2020**

Meeting Time and Location: **7pm**  
Video Meeting

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
  - A. Regular Board Meeting Minutes of November 20, 2019
- III. NEW BUSINESS
  - A. Resolution 20-1 to approve the Annual Election of Officers to the Board
  - B. Resolution 20-2 to approve the Annual Budget
  - C. Resolution 20-3 to approve the Maple Tower FY19 audit
  - D. Resolution 20-4 to approve the River Run FY19 audit
  - E. Resolution 20-5 to approve the West Arbor FY19 audit
  - F. Review April 2020 Financials
- IV. ADJOURNMENT

**MINUTES**  
**ANN ARBOR HOUSING DEVELOPMENT COMMISSION**  
**ANNUAL BOARD MEETING**  
**November 20, 2019**

Meeting Time and Location: **6:30 p.m.**  
2000 S. Industrial, Ann Arbor, MI

President Meadows convened the meeting at 6:38 p.m.

**Board Members present:** Thierry Batalonga, Dr. Lee Meadows, Sam Bagenstos, Jennifer Hall, Dr. Steven Daniels, Patricia Jenkins

**Board Members absent:** Mary Jo Callan,

**I. Approval of Agenda with the addition of the Colonial Oaks Audit review**

*Bagenstos* moved and *Daniels* seconded to approve the amended agenda.

Motion approved 6 – 0 (Batalonga, Bagenstos, Meadows, Daniels, Jenkins, Hall - yes, 0 – no)

**II. Approval of Minutes Regular Board Meeting Minutes of May 15, 2019**

*Daniels* moved and *Batalonga* seconded.

Motion approved 6 – 0 (Batalonga, Bagenstos, Meadows, Daniels, Jenkins, Hall - yes, 0 – no)

**III. NEW Business**

**A. Resolution 19-6 to Approve the 990 IRS Informational Return**

*Jenkins* moved and *Bagenstos* seconded to approve the 990

Motion approved 6 – 0 (Batalonga, Bagenstos, Meadows, Daniels, Jenkins, Hall - yes, 0 – no)

**B. Resolution 19-7 to Approve the Colonial Oaks Audit**

*Jenkins* moved and *Daniels* seconded to approve the Colonial Oaks Audit.

Motion approved 6 – 0 (Batalonga, Bagenstos, Meadows, Daniels, Jenkins, Hall - yes, 0 – no)

**C. Property Acquisition Update**

**IV. Adjournment**

*Daniels* moved and *Batalonga* seconded adjourning the meeting at 7:15pm

## RESOLUTION FY20-1 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

Motion by \_\_\_\_\_ seconded by \_\_\_\_\_

to appoint \_\_\_\_\_ for Board Vice President

Motion by \_\_\_\_\_ seconded by \_\_\_\_\_

to appoint \_\_\_\_\_ for Board Secretary/Treasurer

## **RESOLUTION 20-2 AAHDC**

### **Resolution to Adopt the FY21 Budget**

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

The primary source of revenue for the AAHDC is from developer fees. HUD does not allow Housing Authorities to be both the voucher administrator and the recipient of the voucher HAP funds (rent subsidies). Consequently, HUD required the AAHC to use an affiliated non-profit entity (AAHDC) to be the developer and general partner of these developments. The main source of revenue for FY21 is the next scheduled developer fee of \$187,875 when construction is completed for Swift Lane in December 2020.

The developer fees for Maple Tower, West Arbor, and River Run have all been paid in full to the AAHDC and are restricted to an operating reserve account until 5 years after the properties are fully operational and have maintained a debt-coverage ratio (DCR) of 1.15. These funds are being held in a money market account and are expected to generate approximately \$1,400/year in interest revenue that can be expended annually.

Another source of revenue for FY21 is the cash-flow payment from LIHTC properties which usually occur in May after the audit is completed. If the operations of these properties are meeting their debt coverage ratio of 1.15, then there should be excess revenue over expenditures at the end of the fiscal year. The cash-flow payment is made after the audit is completed. Each project has a development agreement that specifies how additional cash is distributed. Typically deferred developer fees are paid first, then an asset management fee to the investor, then any loans from the equity investor or general partner are paid. The cash-flow payment for FY21 is expected to be paid to the AAHDC for development loans on the properties.

Projected expenditures include administrative costs such as audit fees, and miscellaneous board and staffing expenses. The budget no longer includes supportive service contracts for SOS and Avalon because those contracts are now budgeted under the Ann Arbor Housing Commission, based on the City Administrator's FY21 budget which includes \$535,000 for AAHC non-profit supportive services. The tenant service expenses are primarily related to paying private landlords for excess unpaid damages caused by an AAHC voucher tenant if we are trying to retain a landlord in the program. Tenant services can also include expenses for tenant activities that are not eligible to be paid from resident council funds such as art supplies for the art room at Miller Manor.

WHEREAS, The Ann Arbor Housing Development Corporation at its annual meeting must adopt a budget for FY21; and

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board adopts the proposed FY21 budget.

## **RESOLUTION 20-3 AAHDC**

### ***Resolution to Accept the FY19 Audit for Maple Tower Ann Arbor LDHA, LP from January 1, 2019 to December 31, 2019***

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 FY19 audit for Maple Tower LDHA, LP from January 1, 2019 to December 31, 2019; and

WHEREAS, the Maple Tower, LLC and the Maple Tower LDHA, LP 2019 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 20-4 AAHDC**

### ***Resolution to Accept the FY19 Audit for River Run Ann Arbor LDHA, LP from January 1, 2019 to December 31, 2019***

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 FY19 audit for River Run LDHA, LP from January 1, 2019 to December 31, 2019; and

WHEREAS, the River Run, LLC and the River Run LDHA, LP FY19 tax returns were completed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY19 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 20-5 AAHDC**

### ***Resolution to Accept the FY18 Audit for West Arbor Ann Arbor LDHA, LP from January 1, 2019 to December 31, 2019***

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 FY19 audit for West Arbor LDHA, LP from January 1, 2019 to December 31, 2019; and

WHEREAS, the West Arbor, LLC and the West Arbor LDHA, LP FY19 tax returns were completed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY19 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.



## Ann Arbor Housing Development Corporation

Period = Jul 2019-Apr 2020

	AAHDC	AAHDC
	As of:	Budget As of:
	04/2020	04/2020
<b>GRANT INCOME</b>		
PBV Vacancy Payments	-	-
<b>TOTAL GRANT INCOME</b>	<b>-</b>	<b>-</b>
Investment Income - Unrestricted	1,293	930
Miscellaneous Other Income	200	-
<b>TOTAL INCOME</b>	<b>1,493</b>	<b>930</b>
<b>EXPENSES</b>		
<b>ADMINISTRATIVE</b>		
Total Administrative Salaries	-	-
Total Legal Expense	-	-
Other Admin Expenses		
Staff Training	2,287	2,500
Travel	8	-
Auditing Fees	1,225	880
Total Other Admin Expenses	3,520	3,380
Miscellaneous Admin Expenses		
Bank Fees	100	30
Other Misc Admin Expenses	2,586	3,330
Total Miscellaneous Admin Expenses	2,685	3,360
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>6,205</b>	<b>6,740</b>
<b>TENANT SERVICES</b>		
Other Tenant Svcs.	1,599	8,330
Tenant Services Support	21,336	-
<b>TOTAL TENANT SERVICES EXPENSES</b>	<b>22,935</b>	<b>8,330</b>
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>-</b>	<b>-</b>
<b>GENERAL EXPENSES</b>		
Liability Insurance	136	75
Affiliated Entities Support	63,302	-
<b>TOTAL GENERAL EXPENSES</b>	<b>63,438</b>	<b>75</b>
<b>TOTAL EXPENSES</b>	<b>92,578</b>	<b>15,145</b>
<b>NET INCOME</b>	<b>(91,085)</b>	<b>(14,215)</b>