

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
July 18, 2018

Meeting Time and Location: **approximately 7:30 pm after AAHC meeting**
Baker Commons, 106 Packard, Ann Arbor, MI

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of May 16, 2018
- III. NEW BUSINESS
 - A. Resolution 18-6 AAHDC Sole Member Swift Lane, LLC
 - B. Resolution 18-7 Approve Funding for SOS Community Center
 - C. Discussion of Millage related to Operations and Services
 - D. Review June 2018 Financials
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT COMMISSION
ANNUAL BOARD MEETING
May 16, 2018

Meeting Time and Location: **7 p.m.**
Miller Manor, 727 Miller, Ann Arbor, MI

President Audrey Wojtkowiak convened the meeting at 6:47 p.m.

Board Members present: Mary Jo Callan, Thierry Batalonga, Steven Daniels, Lee Meadows, Audrey Wojtkowiak, Daniel Lee, Jennifer Hall

Board Members absent: none

I. Approval of Agenda

Meadows moved and *Callan* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

II. Approval of Minutes Regular Board Meeting Minutes of January 17, 2018

Meadows moved and *Batalonga* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

III. NEW Business

A. Annual Meeting

B. Resolution 18-1 Annual Officer Elections of Board

Lee moved and *Batalonga* seconded the election of Audrey Wojtkowiak as President, Lee Meadows as Vice President and Jennifer Hall as Secretary/Treasurer

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

C. Review Financials

Callan moved and *Wojtkowiak* seconded empowering the finance subcommittee to make a decision on the investment strategy for the AAHDC's developer fee funds [that must be held as operating deficit guaranty until 5 years after the initial full lease-up after the AAHC has

demonstrated a debt service coverage ratio of 1.15:1 for two consecutive 6-month periods at the end of the initial 5-year period].

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

D. Resolution 18-2 Adopt Annual Budget

Meadows moved and *Batalonga* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

E. Resolution 18-3 Approve the 2017 Maple Tower Audit

Meadows moved and *Batalonga* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

F. Resolution 18-4 Approve the 2017 River Run Audit

Meadows moved and *Batalonga* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

G. Resolution 18-5 Approve the 2017 West Arbor Audit

Meadows moved and *Batalonga* seconded.

Motion approved 7 – 0 (Batalonga, Callan, Daniels, Meadows, Wojtkowiak, Lee, Hall - yes, 0 – no)

IV. Adjournment

Wojtkowiak moved and *Meadows* seconded. Meeting adjourned 7:37 PM

**CERTIFIED COPY OF AUTHORIZING RESOLUTION 18-6
OF ANN ARBOR HOUSING DEVELOPMENT CORPORATION, AS THE SOLE MEMBER OF
SWIFT LANE GP, LLC
AS GENERAL PARTNER
OF
SWIFT LANE LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP**

I, Jennifer Hall, as the Secretary/Treasurer of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (“AAHDC”) and the sole member of Swift Lane GP, LLC, which is the general partner (“General Partner”) of Swift Lane Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the “Partnership” or “Borrower”), CERTIFY that I am the keeper of the records of the AAHDC, that the following is a true and correct copy of Resolutions duly and unanimously adopted by consent at a meeting of the directors of the AAHDC on July 18, 2018, during which the directors necessary to constitute a quorum for the transaction of business were present; further, that the meeting was called in compliance with all applicable laws and the bylaw requirements of the AAHDC; that the Resolutions do not conflict with any bylaw or formation document of the AAHDC, nor have the Resolutions been in any way altered, amended or repealed and are in full force and effect, unrevoked and unrescinded as of this date, and have been entered upon the regular Minutes Book of the AAHDC as of the date of adoption, and that the directors of the AAHDC have, and at the time of adoption of the Resolutions, had full power and lawful authority to adopt the Resolutions and to confer the powers granted in the Resolutions to the Officer(s) named in the Resolutions, who have full power and lawful authority to exercise those powers:

RECITATIONS

WHEREAS, the AAHDC was formed on October 15, 1979, and restated its articles of incorporation, which were approved and filed on June 6, 2013 with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services (the “Filing Office”) with the Ann Arbor Housing Commission, a Michigan public body corporate (“Sponsor”) as its sole member; and

WHEREAS, the Swift Lane GP, LLC, a Michigan limited liability company was formed on September 14, 2015 by filing articles of organization with the Filing Office with the AAHDC as its sole member; and

WHEREAS, the Partnership was formed on September 15, 2015 by filing a Certificate of Limited Partnership with the Filing Office with Swift Lane GP, LLC as its General Partner and the Sponsor as its Limited Partner; and

WHEREAS, it was proposed that Swift Lane GP, LLC act as the general partner of the Partnership to participate in the acquisition and rehabilitation of a 64-unit multifamily scattered site affordable housing development located in Ann Arbor, Michigan, known as Swift Lane (the “Project”), with the Partnership as the owner of the Project; and

WHEREAS, the Sponsor intends to submit an application to the Federal Home Loan Bank of Pittsburgh through its Affordable Housing Program (“FHLB-AHP Program”) to request funding in the amount of Seven Hundred Fifty Thousand and 00/100 Dollars

(\$750,000.00) ("FHLB-AHP Program funding") to the Project; and

WHEREAS, the FHLB-AHP Program funding, if granted, will be awarded through its FHLB of Pittsburgh member bank, Chase Bank N.A., National Association, a Community Development Banking Association (the Bank FHLB-AHP Loan") who shall provide the FHLB-AHP funding directly to the Sponsor; and

WHEREAS, the Sponsor shall then in turn provide a Sponsor loan for the same amount to the Partnership, which Sponsor loan shall be memorialized by a Sponsor Mortgage and Note ("Sponsor Loan Documents") for the FHLB-AHP Program funding to be used for the Project; and

WHEREAS, as a condition of the Bank FHLB-AHP Loan, the Sponsor shall be required execute and deliver to the Bank its Note and a Mortgage securing said Note, Allonge to the Note, Pledge and Collateral Assignment of Sponsor Note & Mortgage and the AHP Direct Subsidy Agreement and all other required loan documents of the Bank ("Chase FHLB-AHP Loan Documents"); and

RESOLVED, that the "whereas" clauses set forth above are hereby incorporated in these Resolutions.

RESOLVED, that the formation of the AAHDC, the General Partner and Partnership are hereby affirmed and ratified.

RESOLVED, that the Partnership shall accept the Sponsor Loan under the terms and conditions as outlined in the Sponsor Loan Documents.

RESOLVED, that the above described transactions are hereby approved by the Board of Directors of the AAHDC, and further that the General Partner is hereby authorized to enter into the transactions described above to the extent required by Bank and the FHLB-AHP.

RESOLVED, that the AAHDC, as the current sole member of the general partner in the Borrower, hereby authorizes Swift Lane GP, LLC, on behalf of General Partner, the Partnership, and the Borrower, at any time after adoption of this Resolution, and without further action by, or authority or direction from, the AAHDC, the General Partner, or the Borrower, to execute and deliver, in the name of, and on behalf of, the General Partner or the Borrower, such documents as may be required by Bank and FHLB-AHP to carry out the described transactions, and the execution of any document(s) in furtherance thereof by it on behalf of the Borrower as a general partner prior to this Resolution is hereby ratified and affirmed by the AAHDC, the General Partner and the Borrower.

IT IS FURTHER RESOLVED, that the Bank be, and is authorized to, rely on the continuing force and effect of this Resolution until receipt by them in writing from the AAHDC, or the General Partner of any amendments or alterations to this Resolution.

Dated this 18th day of July, 2018.

SWIFT LANE GP, LLC, a Michigan limited liability company

By: ANN ARBOR HOUSING DEVELOPMENT CORPORATION, a Michigan nonprofit corporation

By: _____
Jennifer Hall
Its: Secretary/Treasurer

RESOLUTION FY18-7 AAHDC

Resolution to Approve a Contract with SOS Community Services for Voucher Eviction Prevention Services

The Ann Arbor Housing Commission is partnering with SOS Community Services to fund a position to provide supportive services to AAHC voucher tenants who are in danger of losing their voucher. The purpose is to lower eviction rates and decrease homelessness by providing preventative services. SOS will provide several levels of services at multiple intervention points whether the tenant has literacy issues or is being evicted.

The AAHC loses an average of 10 voucher participants per month either through voluntary or involuntary terminations. The AAHC estimates that of the 120 terminations per year, about 70 involuntary terminations could be prevented if the tenants had an Eviction Prevention Coordinator to assist them through early identification and subsequent intervention. Homelessness is devastating to the families on many levels as well as costly to the community. It is much more cost effective to prevent someone from becoming homeless than it is to provide emergency services to someone who becomes homeless.

The AAHC is partnering with SOS because SOS has many years of experience as a landlord, shelter provider, and emergency prevention service agency. SOS is located in downtown Ypsilanti and most of the AAHC tenants live in Ypsilanti and Ypsilanti Township. Sharon Lapides, Homeless Services Director, will be the lead staff person for SOS. Ms. Lapides has an MSW and will directly supervise the Homeless Prevention Coordinator, Zhe'Ahnte Johnson. Weneshia Brand, Voucher Manager, will be the lead staff person for the AAHC.

This is year 3 of this program and attached is a chart showing the successful program results from the first 2 years. The total budget is below.

HCV Ret & Prev Budget	
Revenue	
Coordinated Funding	40,336.00
Local Grants	22,000.00
Total Revenue	\$ 62,336.00
Expenditures	
Personnel Expenses	81,532.79
Occupancy	2,243.56
Supplies and Equipment	2,969.76
Communications	2,087.44
Consultant/Contractual Fees	1,125.20
Insurance	368.45
Specific Assistance	300.00
All Other Expenditures	3,281.52
Depreciation	615.24
Total Expenditures	\$ 94,523.96
Net Surplus (Deficit)	\$ (32,187.96)

It is recommended that the AAHDC commit to annual funding in the amount of \$22,000 for

the first year, to be increased by 3% annually.

WHEREAS, The Ann Arbor Housing Commission is partnering with SOS Community Services to fund a position to provide supportive services to AAHC voucher tenants who are in danger of losing their voucher. The purpose is to lower eviction rates and decrease homelessness by providing preventative services; and

WHEREAS, SOS has secured \$40,336 of the \$94,523.96 in funding needed which leaves a gap of \$32,187.96 after the AAHDC \$22,000 contribution; and

WHEREAS, the Ann Arbor Housing Development Corporation's mission is to support affordable housing for low-income household; and

WHEREAS, this program will directly benefit Ann Arbor Housing Commission tenants as well as Ann Arbor Housing Commission operations;

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board approves an annual contract with SOS Community Services for \$22,000/year starting July 1, 2018 with a 3% annual increase for the Voucher Eviction Prevention Program.

Ann Arbor Housing Commission Budget FY20

City General Fund FY19

Supportive Services Pass Through	\$60,000	see below for pass-through contracts
Voucher Program Admin	\$100,000	
RAD transition	<u>\$68,000</u>	
	<u>\$228,000</u>	

AAHC annual supportive services pass-through commitments

WCCMH - Baker+	\$40,000	City Gen Fund
CAN - Hikone & Green	\$10,000	City Gen Fund
Peace - S Maple & W. Arbor	\$10,000	City Gen Fund
Avalon - West Arbor	\$57,000	AAHDC - AAHC nonprofit entity
SOS - Voucher	\$22,000	AAHDC - AAHC nonprofit entity
Baker Food Program	\$25,000	AAHDC - AAHC nonprofit entity
Avalon - White/State/Henry	<u>\$35,000</u>	AAHDC - AAHC nonprofit entity
	<u>\$199,000</u>	

Additional supportive services needed

CAN - Green Rd	\$10,000	
PNC - S Maple	\$10,000	
Avalon - Miller	\$60,000	to \$150,000
CAN - Platt Rd	<u>\$30,000</u>	to \$60,000
	<u>\$110,000</u>	

Projected Annual Millage Funding	\$2.2 - \$2.5 million
Affordable Housing 40% of Total Millage	\$880,000 - \$1,000,000
Supportive Services pass through 25%	\$220,000 - \$250,000
Affordable Housing Trust Fund 75%	\$660,000 - \$750,000

Budget Comparison

Period = Jul 2017-Jun 2018

Book = Accrual ; Tree = ysi_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Investment Income - Unrestricted	320.33	0.00	320.33	N/A	320.33	0.00	320.33	N/A	0.00
Miscellaneous Other Income	300.84	29.00	271.84	937.38	300.84	29.00	271.84	937.38	29.00
Donations	200.00	0.00	200.00	N/A	200.00	0.00	200.00	N/A	0.00
Developer Fees	356,440.43	360,000.00	-3,559.57	-0.99	356,440.43	360,000.00	-3,559.57	-0.99	360,000.00
TOTAL OTHER INCOME	356,640.43	360,000.00	-3,359.57	-0.93	356,640.43	360,000.00	-3,359.57	-0.93	360,000.00
TOTAL INCOME	357,261.60	360,029.00	-2,767.40	-0.77	357,261.60	360,029.00	-2,767.40	-0.77	360,029.00
EXPENSES									
ADMINISTRATIVE									
Legal Expense									
General Legal Expense	339.00	0.00	-339.00	N/A	339.00	0.00	-339.00	N/A	0.00
Total Legal Expense	339.00	0.00	-339.00	N/A	339.00	0.00	-339.00	N/A	0.00
Other Admin Expenses									
Staff Training	359.06	0.00	-359.06	N/A	359.06	0.00	-359.06	N/A	0.00
Travel	13.30	0.00	-13.30	N/A	13.30	0.00	-13.30	N/A	0.00
Auditing Fees	760.00	4,000.00	3,240.00	81.00	760.00	4,000.00	3,240.00	81.00	4,000.00
Office Rent	0.00	500.00	500.00	100.00	0.00	500.00	500.00	100.00	500.00
Consultants	750.00	2,000.00	1,250.00	62.50	750.00	2,000.00	1,250.00	62.50	2,000.00
Total Other Admin Expenses	1,882.36	6,500.00	4,617.64	71.04	1,882.36	6,500.00	4,617.64	71.04	6,500.00
Miscellaneous Admin Expenses									
Membership and Fees	0.00	20.00	20.00	100.00	0.00	20.00	20.00	100.00	20.00
Office Supplies	7,674.89	0.00	-7,674.89	N/A	7,674.89	0.00	-7,674.89	N/A	0.00
Postage	0.00	60.00	60.00	100.00	0.00	60.00	60.00	100.00	60.00
Printing Expenses	0.00	313.00	313.00	100.00	0.00	313.00	313.00	100.00	313.00
Late Fees/Lost Discounts	39.00	0.00	-39.00	N/A	39.00	0.00	-39.00	N/A	0.00
Other Misc Admin Expenses	3,728.33	4,000.00	271.67	6.79	3,728.33	4,000.00	271.67	6.79	4,000.00
Total Miscellaneous Admin Expenses	11,442.22	4,393.00	-7,049.22	-160.46	11,442.22	4,393.00	-7,049.22	-160.46	4,393.00
TOTAL ADMINISTRATIVE EXPENSES	13,663.58	10,893.00	-2,770.58	-25.43	13,663.58	10,893.00	-2,770.58	-25.43	10,893.00
TENANT SERVICES									
Other Tenant Svcs.	5,746.05	0.00	-5,746.05	N/A	5,746.05	0.00	-5,746.05	N/A	0.00
Tenant Services Support	69,957.49	73,750.00	3,792.51	5.14	69,957.49	73,750.00	3,792.51	5.14	73,750.00
Tenant Support Services-FSS	0.00	3,450.00	3,450.00	100.00	0.00	3,450.00	3,450.00	100.00	3,450.00
Sr Nutrition Program Expenses	9,143.21	0.00	-9,143.21	N/A	9,143.21	0.00	-9,143.21	N/A	0.00
TOTAL TENANT SERVICES EXPENSES	84,846.75	77,200.00	-7,646.75	-9.91	84,846.75	77,200.00	-7,646.75	-9.91	77,200.00
Materials									
Grounds Supplies	343.96	0.00	-343.96	N/A	343.96	0.00	-343.96	N/A	0.00
Total Materials	343.96	0.00	-343.96	N/A	343.96	0.00	-343.96	N/A	0.00

Budget Comparison

Period = Jul 2017-Jun 2018

Book = Accrual ; Tree = ysi_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Contract Costs									
Asbestos Abatement/Monitoring/Removal	16,200.00	0.00	-16,200.00	N/A	16,200.00	0.00	-16,200.00	N/A	0.00
Total Contract Costs	16,200.00	0.00	-16,200.00	N/A	16,200.00	0.00	-16,200.00	N/A	0.00
TOTAL MAINTENANCE EXPENSES	16,543.96	0.00	-16,543.96	N/A	16,543.96	0.00	-16,543.96	N/A	0.00
GENERAL EXPENSES									
Liability Insurance	73.20	0.00	-73.20	N/A	73.20	0.00	-73.20	N/A	0.00
TOTAL GENERAL EXPENSES	73.20	0.00	-73.20	N/A	73.20	0.00	-73.20	N/A	0.00
FINANCING EXPENSE									
Interest Expense	33.28	0.00	-33.28	N/A	33.28	0.00	-33.28	N/A	0.00
TOTAL FINANCING EXPENSES	33.28	0.00	-33.28	N/A	33.28	0.00	-33.28	N/A	0.00
TOTAL EXPENSES	115,160.77	88,093.00	-27,067.77	-30.73	115,160.77	88,093.00	-27,067.77	-30.73	88,093.00
NET INCOME	242,100.83	271,936.00	-29,835.17	-10.97	242,100.83	271,936.00	-29,835.17	-10.97	271,936.00

Balance Sheet

Period = Jun 2018

Book = Cash ; Tree = ysi_bs

Current Balance**ASSETS**

CASH	
Unrestricted Cash	
AAHDC - Savings - CSB	1,080,320.33
AAHDC Checking-Chelsea Bank	707,753.37
Total Unrestricted Cash	<u>1,788,073.70</u>
TOTAL CASH	1,788,073.70
ACCOUNTS AND NOTES RECEIVABLE	
Allowance for Doubtful Accounts-Other	-7,450,958.83
A/R Miscellaneous	6,656,383.30
Accrued Interest Receivable	734,927.55
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>-59,647.98</u>
TOTAL CURRENT ASSETS	1,728,425.72
TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	<u>1,728,425.72</u>
A/P Other	30,078.20
TOTAL CURRENT LIABILITIES	30,078.20
TOTAL LIABILITIES	30,078.20
Contributed Capital	67,436.97
TOTAL CONTRIBUTED CAPITAL	67,436.97
RETAINED EARNINGS:	
Retained Earnings-Current Year	243,448.97
Unrestricted Net Assets	1,387,461.58
TOTAL RETAINED EARNINGS:	<u>1,630,910.55</u>
TOTAL EQUITY	<u>1,698,347.52</u>
TOTAL LIABILITIES AND EQUITY	<u>1,728,425.72</u>