

Minutes of a Special Meeting of the Ypsilanti Housing Commission

Monday, January 12, 2015 – 12:00 p.m.

601 Armstrong Dr., Ypsilanti, MI 48197

Meeting called to order at 12:03 p.m. by R. Smith.

ROLL CALL:

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| • Chairperson R. Smith | Present |
| • Vice Chairperson A. Moore | Present |
| • Commissioner T. Boone | Present |
| • Commissioner V. Brannon | Present |
| • Commissioner C. Hollifield | Present |
| • Executive Director Z. Fosler | Present |
| • Facilities Director E. Temple | Present |
| • Vicki Vaughn, Development Consultant | Present |

APPROVAL OF AGENDA: R. Smith asked if there were any changes to be made to the agenda. Hearing none, R. Smith asked for a motion to approve the agenda as presented. V. Brannon moved to approve the agenda as presented, supported by A. Moore.

Motion passed 5-0.

AUDIENCE PARTICIPATION: None present.

CITY COUNCIL MEMBERS' COMMENTS AND QUESTIONS: None present.

OLD BUSINESS: None.

NEW BUSINESS:

- **Parkridge Homes RAD Application #2 – Board Approval Form:** Z. Fosler explained the purpose for the meeting and gave background on the new RAD application. Since the Parkridge Homes RAD project has applied unsuccessfully for 9% credits twice under the existing CHAP, there has been some feedback from HUD that the YHC should give up its existing CHAP and reapply to the RAD program again. The previous cap of 80,000 units has been lifted to 185,000, so there is still some room to get into RAD again and receive a new CHAP.

Z. Fosler explained that he has not yet received the final word from HUD on whether the YHC will be permitted to continue on under the existing CHAP, but he wants to be ready to submit this new application if that is not the case. The major difference between the last RAD application and the one proposed today is that the change from demolition and new construction to preservation, also known as rehabilitation. While this is not the most favorable outcome for the project, Z. Fosler stated that we need to focus on what will be successful. A full rehabilitation would certainly be far better than the status quo.

V. Vaughn stated that the way the RAD program was designed, if a project is not successful in obtaining 9% tax credits, it would then apply for 4% credits. Unfortunately, 4% credits raise far less capital and would be insufficient to address the current capital needs. This is why we're trying to get a new application for RAD—so we can apply for 9% credits again.

A. Moore asked Z. Fosler and V. Vaughn to provide additional information regarding the difference between new construction and preservation and the likelihood of success. Z. Fosler iterated that he would prefer new construction for the project, but that at this point, an application for preservation has a greater chance of success. Further discussion ensued regarding the pros and cons of preservation.

V. Vaughn explained that one of the areas that affects preservation scoring is cost efficiency. Projects that can demonstrate lower costs for preservation can score additional points. Where we might have raised \$125,000 per unit under new construction, we might only be able to raise \$69,000 per unit with preservation. She also stated that she believes that the RAD program allows for modifications to the application after a CHAP has been

received.

T. Boone asked how many more chances the YHC has to apply for tax credits under the RAD program. Z. Fosler responded that we should be thinking of this in terms of our last shot at it. That being said, there are other avenues we would explore if we are not successful again. HUD has a demolition/disposition program, where units that can be shown to be in a great state of disrepair can be demolished and vouchers can be provided to the residents. He added that further research would need to happen before heading down that road, though.

C. Hollifield asked Z. Fosler the age of the buildings at Parkridge Homes. Z. Fosler responded that they were constructed in the 1940s. C. Hollifield stated that he feels that we should do what will be successful. He wants to show progress to the residents and the community.

R. Smith stated that she believes that new construction would be the best thing for the property. V. Brannon asked about supportive services at the Parkridge Homes property. Z. Fosler responded that the YHC had submitted another application to the Kresge Foundation to fund an expansion of the Family Empowerment Program at Hamilton Crossing to Parkridge Homes.

T. Boone asked Z. Fosler if he believes that preservation is our best option at this point. Z. Fosler answered affirmatively, stating that as much as he wants to do a new construction project on the site, he feels we need to focus on what will be successful. T. Boone asked if there are any other funds available that increase the per unit amount we can spend on each unit. Z. Fosler responded that we have been awarded \$400,000 in HOME funds from the County, and we can continue seeking additional funding.

R. Smith stated that she would support preservation if it's the best that we can get. A. Moore stated that she concurs with that, but added that we should aggressively seek outside grants to make this project the best it can be and to offset some of the risks we are taking because we cannot resituate the buildings themselves.

T. Boone moved that the executive director be authorized to sign the RAD Board Approval form, supported by C. Hollifield. **Motion passed 5-0.**

ADJOURN: A. Moore moved to adjourn, supported by C. Hollifield. **Passed 5-0. Meeting adjourned at 12:36 pm.**

THEREFORE, BE IT RESOLVED:

The Ypsilanti Housing Commission and its Board of Commissioners, of the City of Ypsilanti, Michigan, hereby authorize the Executive Director to sign the approved Board of Commissioners minutes of December 11, 2014.

	YEAS	NAYS	ABSENT
Commissioner Smith	_____	_____	_____
Commissioner Moore	_____	_____	_____
Commissioner Boone	_____	_____	_____
Commissioner Brannon	_____	_____	_____
Commissioner Hollifield	_____	_____	_____

Zachary D. Fosler, Executive Director

Date