

Minutes of the Ypsilanti Housing Commission

Tuesday, January 10th, 2023 – 6:00 p.m.

New Parkridge, 831 Hilyard Robinson Way

Meeting called to order at 6:12 p.m. by Commissioner R. Smith.

ROLL CALL:

- Commissioner Brown Present (6:20 pm)
- Commissioner Palmer Absent
- Commissioner Simmons Present
- Commissioner R. Smith Present
- Commissioner Williams Present

Others Present

- Zac Fosler, YHC
- Deandre Webster, YHC
- Lisa League, KMG

APPROVAL OF AGENDA: R. Smith asked if there were any changes to be made to the agenda. M. Simmons moved to amend the agenda, second by L. Williams. **Motion passed, 3-0.**

APPROVAL OF MINUTES: R. Smith asked if there were any changes to be made to the Minutes from December 13th, 2022. L. Williams moved to approve the Minutes second by M. Simmons. **Motion passed, 3-0.**

AUDIENCE PARTICIPATION: None.

CITY COUNCIL MEMBERS' COMMENTS AND QUESTIONS: None.

PROPERTY MANAGEMENT UPDATE:

L. League stated that all properties are up in occupancy. She stated that delinquencies are down and that property management has worked diligently with residents to resolve the remaining delinquencies. All past-due recertifications are completed and up to date.

L. League stated that Strong Future and New Parkridge have been experiencing cash flow issues. She explained that re-inspections and contracting out for repairs have made it difficult on the properties. L. League stated that she and the management team would provide a written plan to address the various cash flow concerns.

L. League stated that HUD had approved an increase in rental subsidies. The increase would be applied retroactively so properties can collect the subsidy increase from rents starting in July 2022. The properties should receive the additional subsidies in February or March. L. League stated that the additional rent subsidies would offer the properties some relief.

L. Williams asked what the HUD-approved rent increases mean for residents. L. League stated that HUD recalculates rental subsidies every July based on income, inflation, current market rates, etc. L. League explains that there had been a 5% increase in rents across the YHC communities. Z. Fosler stated that residents would still only pay their set rent for their unit and that this change only impacts the dollar amount of subsidies received.

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R. Smith asked L. League the top two reasons for the current cash flow issues at Strong. L. League stated that many cash flow issues stem from city inspections and reinspection fees. In addition, L. League explained that having to contract out repairs from not having a full maintenance team has added up.

Z. Fosler stated that he has been in contact with property management and requested a written plan detailing how the properties will recover, along with up-to-date projections for the properties.

NEW BUSINESS:

Resolution 23-01: A Resolution Regarding Employer Contributions to Health Savings Accounts

L. Williams offered resolution 23-01 and M. Simmons seconded. R. Smith called for discussion, and Z. Fosler stated that the YHC uses the City of Ypsilanti health insurance plan, which is a high-deductible insurance plan. Z. Fosler stated that in line with the City of Ypsilanti, the YHC has regularly contributed to its employee's Health Savings Account to cover the plan deductibles. R. Smith stated that this contribution is standard, and the contribution amount has not changed in the previous years.

Resolution 23-01, Passed (4-0)

MONTHLY REPORTS:

- **Regulatory, Oversight, & Legal Actions:** None.
- **Development Update:** Z. Fosler stated that he has limited information to share and will provide updates once he has more information.
- **Facilities & Security Update:** L. Williams stated that there had been some loud noise, resident disputes, and arguments around Armstrong. L. Williams stated that besides these incidents, it has been relatively quiet. Z. Fosler stated that he would follow up with property management about the concerns.
- **Finance Reports:** Z. Fosler stated that some properties are operating at a loss. Z. Fosler stated that this was anticipated as occupancy, delinquencies, and staffing issues have been the center of many discussions. Z. Fosler stated that although he is concerned about cash flow, the properties are progressing and moving in the right direction. R. Smith stated that she is concerned about cashflows and would like to continue to hold property management accountable.

M. Simmons asked for clarification as to why Strong Future is struggling with cash flow while having a high occupancy rate. Z. Fosler stated that there had been multiple inspections from the City and HUD, and to make the necessary repairs, the property had to contract out due to maintenance shortages.

M. Simmons listed a few specific issues he has observed across Strong Future properties. Z. Fosler stated that he would address these issues with property management. Z. Fosler stated that during the two years of the pandemic, Strong Future only had one maintenance staff for 112 units. Prior to the pandemic, Strong Future units were recently redeveloped and in excellent condition.

Z. Fosler stated that unit conditions declined through the pandemic due to residents spending substantially more time in their units and non-emergency work orders being put on hold in the interest of keeping residents

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and staff safe. Z. Fosler stated that the issues surrounding units developed over two years, and these concerns would take time to address. The problem is not that maintenance has not worked hard enough but has yet to have a fair chance to get caught up. M. Simmons stated that he is looking forward to seeing the plan provided by property management.

DIRECTOR’S REPORT:

- **Maintenance:** The onsite property management for Strong Future is strong. The maintenance teams for Strong Future and Hamilton Crossing were recently combined, allowing for better continuity of service and fair scheduling of on-call time.
- **Waiting list:** We received over 2,000 waitlist applications for New Parkridge alone. Z. Fosler applauded D. Webster for the marketing aspect, as the social media post with the flyer and open waitlist information reached over 30,000 people, with over 5,000 people engaging with the post. People have now been notified if they have been selected from the lottery to be placed on the waitlist. Z. Fosler stated that property management is currently in the process of sending out a pre-application to those selected to collect additional information.
- **NCRC Board Meeting:** Z. Fosler stated that he and R. Smith attended the NAHRO NCRC Board meeting.
- **NEW Center:** The NEW Center contract has been signed and the board will be updated with the next steps.
- **Michigan CLASS:** Funds have now been transferred into the Michigan CLASS investment account.

COMMISSIONER COMMENTS:

- **Commissioner Brown:** Thanked Z. Fosler for attending and helping at the holiday celebration at PCC.
- **Commissioner Simmons:** None.
- **Commissioner R. Smith:** Stated that she is proud of L. Brown and L. Williams for the event at PCC. Also stated that she is looking forward to working with NEW Center.
- **Commissioner Williams:** Stated that she has started going to school and has a full course load, so she may have some upcoming scheduling conflicts.

ADJOURN: L. Williams moved to adjourn, second by L. Brown. **Passed 4-0. Meeting adjourned at 6:54 p.m.**

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 **January 10th, 2023.**

	YEAS	NAYS	ABSENT
Commissioner Brown	_____	_____	_____
Commissioner Palmer	_____	_____	_____
Commissioner R. Smith	_____	_____	_____
Commissioner Simmons	_____	_____	_____
Commissioner Williams	_____	_____	_____

Zachary D. Fosler, Executive Director & CEO