



CITY OF ANN ARBOR, MICHIGAN

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ANN ARBOR HOUSING COMMISSION

Ann Arbor Housing Commission

September 15, 2010

REGULAR BOARD MEETING

MINUTES

The meeting took place at Cranbrook Tower (Community Room) located at 2901 Northbrook Place in Ann Arbor, MI 48103. President Miller convened the meeting at 6:04 pm. President Miller introduced the Ann Arbor Housing Commission, gave some background on what the Commission does and provided an overview of the Commission's role in Cranbrook Tower. Commissioners and staff introduced themselves to those in attendance.

ROLL CALL:

Commissioners present: Jayne Miller, Ronald Woods, Marta Manildi, Sasha Womble and Mark McDonald.

Commissioners absent: None

Staff Present: Marge Novak (Exec. Dir), Nick Coquillard (Dep. Dir.), Weneshia Brand (Section 8 Manager)

In Attendance: Monica Meyers (outside auditor), Kevin McDonald (City Attorney's Office), Bobbi DeWitt (KMG Prestige, Cranbrook Property Mgmt). In addition, approximately 9 Cranbrook residents attended.

- I. **APPROVAL OF AGENDA** – President Miller proposed amending the agenda to remove the first resolution (FY11-08, To Approve the Draft Audited Financial Statements for FY10) from consideration at this meeting at the request of staff in order to provide staff additional time for review of the financials and preparation of the Management Discussion and Analysis section. Miller indicated that while the resolution would not be considered at this time, the auditor would still make the presentation of the draft audit to the Commission. Commissioner *Woods* moved and Commissioner *Manildi* supported. The modified agenda was approved 5-0.

II. **PUBLIC COMMENTARY**

- A. Resident Organizations – none.

- B. Others Requesting to Speak – *Bryant*: Mr. Bryant, a resident of Cranbrook Tower, inquired of how things might change once the Section 8 Contract Administration is transferred from the Housing Commission to the Michigan State Housing Development Authority (MSHDA).

III. **APPROVAL OF MINUTES - Regular Board Minutes – August 18, 2010** Moved by *Woods*; supported by *Womble*. Minutes approved: 5-0.

IV. **NEW BUSINESS**

A. **Resolutions**

1. **FY11-08: To Approve Draft Audited Financial Statements for FY10** – As indicated above, this resolution was removed from the agenda. *Novak*: provided background on working with the Commission’s outside Auditor during the past two years. *Meyers*: The Auditor provided a verbal presentation of the draft audit which had been distributed to the Commissioners in advance of the meeting. The Auditor began by indicating that the draft audit does not currently include the Management Discussion and Analysis (MD&A) section which will be added by the Commission staff at a later date and, therefore the first several pages of the draft will be modified to include this section. The Auditor reviewed the three different types of audit opinions and stated that the Commission’s audit is unqualified, which is the highest level of opinion. The Auditor stated that her firm audits a number of public housing authorities and that the Ann Arbor Housing Commission performs the best of all of them in the financial audit area. The Auditor proceeded to walk the Commissioners thru the draft audit document, providing explanation of specific figures in the report and answering Commissioners’ questions. *Miller*: Inquired of any concerns that the Auditor had with the Commission’s financials to which she responded she had no concerns. *Manildi*: Inquired if the audit work included a review of internal controls to which the Auditor responded “yes.” She added that the internal controls surrounding financial records was unqualified and that there were no significant deficiencies or material weaknesses in this area. *Miller*: Stated that this was in large part due to the great work being done by the Commission’s Financial Manager, Betsy Cornellier. Regarding internal controls for the programs (Public Housing, Section 8, VASH, Capital Grants), the Auditor’s work included a review of the tenant files. While last year the Auditor had findings in the areas of re-certifications and file documentation, this year there were no findings in the area of re-certifications, however, there continues to be findings with regards to both public housing and Section 8 tenant file documentation. She stated that there was much improvement in documentation this year as compared to their review last year.
2. **FY11-09: To Approve Renewal of Contracts for Snow Removal Services** – Moved by *Manildi*, supported by *McDonald*. *Novak*: provided background and overview of the resolution which provides for renewal of existing snow removal contracts with two companies, including (1) Ann Arbor Lawn Care and Snow

Removal, and (2) All-Around Lawn Care Inc. at the same pricing as for the past two years. This will be the last renewal opportunity for these contracts. AAHC maintenance staff will continue to handle snow removal at Baker Commons and Miller Manor. Approved: 5-0.

3. **FY11-10: To Approve Revision to the Public Housing Admission and Continued Occupancy Plan (ACOP) [Grievance Procedure]** - Moved by *McDonald*, supported by *Woods*. *Coquillard*: provided overview and background on the resolution, indicating that this resolution corrects an error in the public housing grievance procedure contained in Chapter 17 of the ACOP. The correction clarifies that an expedited grievance procedure exists, and also clarifies that such expedited process may apply in cases of either (1) a criminal activity that threatens health, safety or right to peaceful enjoyment; or (2) drug-related criminal activity. One or the other circumstances must exist, not both, in order to apply the expedited grievance process. Approved 5-0.

B. Presentation:

1. **Draft Financial Audit for FY10 presented by Outside Auditor:** *See summary of presentation above under Resolution FY11-08.*
2. **Section 8 Programs:** *Brand:* Ms. Brand, the Commission's Section 8 Manager, provided a verbal presentation updating the Board on activities in the Commission's Section 8 Programs during the past quarter. Ms. Brand informed the Board of the Commission's SEMAP score as stated on the HUD website which is at 86%, 125/145, resulting in a standard performer. She discussed areas in need of improvement in SEMAP, including adjusted income and Family Self Sufficiency (FSS). There will most likely be improvements made to Section 8 processes which will result in resolutions brought to the Board to modify the Section 8 Administrative Plan. It was reported that the Commission's FSS required level was reduced from 175 slots to 30, via a waiver recently approved by HUD for a three-year period. She provided updates on the monthly Corrective Action Plan (CAP) reporting and Housing Quality Standard Inspection process. *Woods:* inquired of whether the CAP addresses the SEMAP adjusted income deficiencies. *Brand:* responded that it does, thru better quality control, larger sampling pools and sampling more often, and more staff training. *McDonald:* indicated that a larger training budget should be considered. *Novak:* It will be considered as the Commission increases its revenues. Section 8 landlord training is scheduled for October 28th. The Section 8 Waitlist clean-up process was reviewed, with an explanation of work done in this area during the past year. All Section 8 waitlist files were reviewed, documentation filed, and households properly removed or placed back onto the waiting list. Update letters were mailed in August to more than 1,400 households. The Section 8 Waitlist is currently being updated with households being removed based on responses or lack thereof or household data is being updated based on information provided. A more detailed handout showing Section 8 waitlist data was provided to the

Commissioners. Ms. Brand stated that the Commission's Section 8 Waitlist was last opened in 2006 with thousands of applications received and was last updated in 2008. *Manildi*: inquired of what the formula is for opening up the Waitlist. *Brand*: Indicated there is no real formula or standard, it is left up to the Housing Commission to decide how to manage its waitlist. It's more of an art than a science and needs to be monitored in conjunction with the financial staff paying close attention to budget authority and average voucher costs. Once the waitlist is updated, final letters will be mailed to households indicating that either they have been removed from the waitlist or that they remain on the waitlist. The target date for finalizing the Section 8 Waitlist Update is the end of October. *Manildi*: inquired of opportunities for training for Section 8 participants. *Brand*: Provided an overview of the participant process for being instructed about the Section 8 Vouchers, including the screening, briefing, issuance of the voucher and the search process. *Womble*: inquired of the date and time of the landlord meeting. *Brand*: October 28th all day from 9am to 4pm. *Miller*: stated that the timeframe for lease-up is quite lengthy for those who need our assistance and that we should work to reduce this timeframe. *McDonald*: Timeframe is a concern for property owners and landlords and prevents some landlords from participating in the Section 8 Program. *Brand*: The Commission staff is working on improving the process and relationships with outside entities in order to reduce this timeframe.

C. Board of Commissioners Discussion: *Miller*: Had several updates to address with the Commissioners. Bylaws: Miller asked Commissioner Manildi for an update on revisions to the Commission's bylaws. *Manildi*: Manildi and Woods have met to discuss bylaw revisions and have a redline version in process and hope to present something to the Board at the October Board Meeting after requesting the City Attorney to review the proposed revisions and provide comments. Grand Rapids Trip: Miller reminded the Commissioners of their September 22nd all-day trip to Grand Rapids. Novak indicated that an itinerary was forthcoming. Strategic Planning Session/Special Board Meeting: Miller reminded Commissioners of the scheduled Strategic Planning Session for October 6th from 3-5pm at Miller Manor and stated that this would be considered a Special Board Meeting. She asked for two Commissioners to call for the meeting as referenced in the bylaws. There was further discussion about the process for calling a Special Board Meeting and with input from the City Attorney and Commissioner Manildi it was determined that previous interpretations of the bylaws with regards to calling a Special Board Meeting were incorrect. The consensus was that the President may call a Special Board Meeting when he/she determines it expedient and that the President must call a Special Board Meeting when at least two Commissioners request such a meeting in writing. As such, President Miller called for a Special Board Meeting to be held on Wednesday October 6, 2010 for the purpose of holding a Strategic Planning Session and directed the Commission staff to post the proper notice for such meeting. President Miller requested that the Commissioners come to such meeting prepared to discuss their suggestions, and that she and the Executive Director would meet in advance to put together an agenda for the meeting. Pro Bono Legal Work: Miller asked for follow-up to the Executive Director's previous request for suggestions for law firms that may be interested in doing pro bono legal work for the Commission.

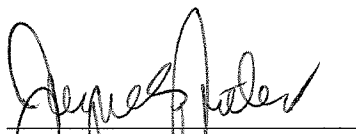
McDonald: Stated that he would follow up with several law firms on this. *Woods*: Inquired if we issued an RFP (Request for Proposal) for legal work where it would be posted and whether it was possible to issue an RFP for pro bono legal work. *Novak*: Indicated that RFPs are generally posted via the City of Ann Arbor's procurement website which feeds into larger sites and also in newspapers. *Manildi*: Raised the possibility of using the legal pro bono work for the Commission as a training opportunity for new attorneys who are interested in gaining experience in the area of landlord/tenant issues. ONA Follow-Up Meetings: *Miller*: Stated that the resident follow-up meetings to discuss the Findings from the Operational Needs Assessment have been set up. The consultant will be holding four follow-up meetings with residents on September 28th (Miller Manor & S Maple) and 30th (Baker Commons & Hikone).

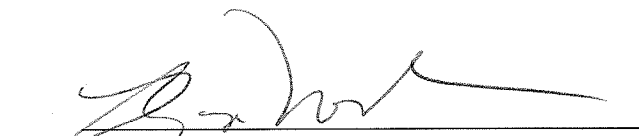
V. **COMMISSION STAFF REPORTS for August 2010**

- a. Executive Director – *Novak*: highlighted a number of items included in the E.D. Memo, including: overview of REAC Inspections and summary of the five separate scoring categories; presentation to the DDA; S Maple security camera status; Community Television Network interview; public housing vacancy and unit turn status; recent staff legal training on landlord/tenant issues; update on resolutions approved at previous Board meeting and status of various year-end reporting. *Miller*: Stated that the Board of Commissioners should consider making a presentation to City Council perhaps at one of their working sessions to update Council on the Commission's progress.
- b. Financial Manager – as submitted; no comments or questions.
- c. Section 8 Report – as submitted; no comments or questions.
- d. PH-West – as submitted; no comments or questions.
- e. PH-East – as submitted; no comments or questions.
- f. Security Report – as submitted; no comments or questions.

VI. **ADDITIONAL PUBLIC COMMENTARY** : *Bryant*: followed up on his earlier question regarding the transfer of administration of Cranbrook Tower's Section 8 HAP contract from the Housing Commission to the State and inquired if MSHDA had regional offices. *Novak*: responded that residents should see no change on their end resulting from the change in administration, but that the Cranbrook property management company would interface with different staff.

VII. **ADJOURNMENT**: at 7:52 pm. Moved by *McDonald*, supported by *Womble*. Approved:
5-0.


Jayne Miller


Marge Novak, Recording Secretary