

## **Emmet County Housing Council**

A meeting of the Emmet County Housing Council was held on April 3, 2013 at 10:00 a.m. in the commissioners' boardroom in the courthouse at 200 Division Street, Petoskey, Michigan.

Council members present:   Les Atchison  
  George Booth, Vice-Chairman  
  John Murphy, Chairman  
  Martin Van Berlo

Excused absence:               Mark Ashley, Secretary

Staff present:                   Cynthia Van Allen, Finance Director

Third party administrators:   Jonathan Scheel, Northwest Michigan Community Action Agency  
  Cathy Odom, Northwest Michigan Community Action Agency  
  Kristin Brady, Northwest Michigan Community Action Agency

Guests:                            Dan Ralley, City of Petoskey Administrator

The Council members approved the agenda.

The Council members reviewed and approved the minutes of the February 6, 2013 meeting, with the proviso that in the second bullet point under "Other Business" the word "allocation" be changed to "appropriation".

Administrator's Report:

\*\*\* Mr. Scheel let the Council know that he believes that the St. Francis Xavier Federal Credit Union will, under the direction of Scott Bigman, CEO, become the local financial institution go between for applications for Federal Home Loan Bank of Indianapolis loans which are five year forgivable loans. Mr. Murphy will talk to Mr. Bigman to encourage the relationship.

\*\*\* Mr. Scheel let the Council know that he and the County's Civil Counsel, Ms. Abbott will appear in court on April 9, 2013 regarding the estate settlement for Ronald Shinn. This is one of the "old" jobs where the mortgage note was not returned to the County by the Sheriff/FBI/MSHDA. If the court rules that the County is entitled to collect, there should be \$12,500, one half the original mortgage, from the sales proceeds which will be added to program income.

\*\*\* At a Michigan Community Development Association meeting, attended by William Rustin, the Director of Strategy for the Governor, the NMCAA staff discovered that the HUD inspection standard is changing. They will be attending training. The "Uniform Condition Standard" has replaced the "Housing Quality Standard".

\*\*\* MSHDA is rearranging staff. Julie Gardner is now the Community Development coordinator

for this area. Emily Petz is the Grant Implementation staff. Tracy Barnes has been reassigned.

\*\*\* The father of Job 08-09 died leaving contiguous property to the Council's client. This may add collateral to the Council's loan. The Council agreed that no change is needed to the existing mortgage.

\*\*\*Mr. Scheel reminded the group that with the HRF Grant program all loans are deferred and the liens are in MSHDA's name. The loans will be repaid to MSHDA, except the local match will be returned to the County. 30% is required for the HRF match and Mr. Scheel expects to use loans from Rural Development, Home Loan Bank and Department of Human Services as much as possible rather than using the County appropriation.

#### Jobs in Progress:

Job 11-06 - waiting for a Federal Home Loan Bank loan. If St. Francis Credit Union does not become a partner financial institution, this project will be dropped.

Job 11-13 - still in construction. There was a question about the quality of the metal used on the roof. The contractor failed to obtain a building permit. There are insulation and condensation issues. There was a meeting and the contractor has agreed to fix the problems.

Job 11-15 - the contract for construction will be signed on April 9, 2013.

Job 13-01 - Mr. Atchison made a motion to put this project out for bid. Mr. Booth seconded the motion. By unanimous voice vote this project was approved to go out for bid.

Job 13-02 - Mr. Atchison made a motion to put this project out for bid. Mr. Booth seconded the motion. Mr. Booth let Mr. Scheel know that he did not need to include a provision for yard clean up in his request for bid, there is a group available to accomplish this type of work. Mr. Scheel noted that this homeowner was the recipient of a new roof, Job 11-14, previously. A DHS grant has been applied for. By unanimous voice vote this project was approved to go out for bid.

Mr. Scheel reviewed the current financials with the Council.

#### Other Business:

\*\*\* A broad, philosophical discussion was held relating to the potential of the Housing Council partnering with the City of Petoskey and MSHDA on a rental rehabilitation program. Some of the program parameters follow:

- Five year forgivable loan

- Each project is a separate grant

- The City of Petoskey has targeted downtown residential revitalization,  
part of the sense of place program

- MSHDA targets only traditional downtown areas for this program

- Rental rates are initially restricted to specific amounts, usually for five years,

Administrative fees at 10% because MSHDA and the contractor accomplish more of the work  
Allows a financial incentive to clean up lead paint and other code violations

Mr. Ralley, speaking for the City of Petoskey, expressed his desire to work with the Housing Council. He finds the model to be very workable and finds NMCAA staff to be very professional, knowledgeable and hard working.

A broad outline of the process follows:

- The City makes a formal statement regarding the necessity for downtown rehabilitation
- A building owner indicates a desire to accomplish rehabilitation
- The owner puts together a MSHDA pre-application
- MSHDA says yes or no to the project and notifies the City
- The owner creates a business plan and puts together a financial statement for MSHDA
- MSHDA does a site visit and meets with City staff
- MSHDA approves the specifications
- The City takes a lien, hires a contractor, and inspects the project

The Council agreed to continue discussions with the City of Petoskey to create a partnership structure. A developer application has been received. This application will be reviewed when a partnership agreement is in place.

\*\*\* Mr. Scheel will make a presentation at the April Emmet County Board of Commissioners meeting. This will provide the two new Commissioners with the information on the Council.

Public Comment:

\*\*\* None

A motion to adjourn was made and was unanimously approved.