

DWELLING PLACE OF GRAND RAPIDS
REAL ESTATE DEVELOPMENT AND ASSET MANAGEMENT COMMITTEE
April 13, 2020
Committee Approved May 11, 2020

MEMBERS PRESENT Juan Daniel Castro, Rich Kogelschatz, George Larimore, Mike McDaniels, Larry Titley, Lee Nelson Weber, Troy Zapolski

MEMBERS ABSENT Mike DeVries

STAFF & GUESTS PRESENT Chris Bennett, Kim Cross, Rebecca Long, Scott Page, Zoe Post, Steve Recker, Dennis Sturtevant, Stephen Wooden

The meeting was convened via conference call at 11:35 AM by Mr. Kogelschatz.

APPROVAL OF MINUTES **Minutes of the Dwelling Place RED & Asset Management Committee meeting of March 9, 2020 were approved by motion of Juan Daniel Castro, seconded by Troy Zapolski and carried unanimously.**

2019 YEAR-END MFI REPORT Ms. Long presented a property-by-property strategic plan and metric data for the Dwelling Place portfolio as of February 2020. Not included was peer comparison data, as the Neighborworks site from which Ms. Long pulls this data has been down due to the COVID-19 pandemic. Additional comments and notable items *not* included in these documents are as follows:

Biermeister, Calumet, Elmdale, Goodrich, Herkimer, Lenox, LHA, Martineau, Midtown, Peterlien, Pine Ave, Reflections, Villa Esperanza, West Shore, White River: No additional comments.

BSP: Improved average days vacant and recertification time; over budget on electric and flooring costs.

Chaffee: High turnover due to 5 move-outs at a property with only 8 units. Higher vacancy rate due to holding units for Ferguson resident relocation. As with other properties along Division Ave, there are some ongoing issues with loitering in the front areas of the building. Cameras and speakers may be installed to address this.

Commerce: Significant improvement in many metrics due to improved referral process and hiring of new in-house RSC. Concerns about safety as some residents continue to let non-residents in the building; terminations of tenancy due to violence or drug activity have recently been filed for some residents.

Ferguson: Currently offline for MFI reporting; will be merged into a single project going forward.

Grandville: Operating expenses and average days vacant higher than normal since homes are getting repairs at unit turn to prepare them for inclusion in the future community land trust.

Harrison Park: Lease-up slowed due to COVID-19 stay-at-home measures but construction largely completed.

Harvest Hill: Request to MSHDA to increase the AMI limit of all units to 60% in order to finance necessary renovations was partially approved; 16 units have been increased.

Kelsey: As with several other Division Ave properties, some residents consistently pay late. These tenants will be targeted for inclusion in a financial capability program run by staff with specific NeighborWorks training in an effort to educate residents and improve property metrics.

New Hope Homes: \$50,000 grant from Republic Services will be used to complete a playground area/green space as part of CLT conversion improvements.

Roosevelt: Operating expenses and cash flow below thresholds from the start; apartments were not able to be submetered as planned and rent can only be increased in small increments. Staff turnover at Community Encompass and the unexpected need to hire third party security also affected these metrics.

Verne Barry: Met or exceeded nearly all performance metrics except average days vacant due in part to the slow referral process of two different subsidy providers.

Weston: Marked improvement from last year's metrics; with its LIHTC compliance period ending in 2021, staff are working on possible restructuring, particularly in the parking lot near 50 Weston. This may include market rate housing and/or added commercial spaces.

Ms. Long also mentioned some big-picture tasks included in the annual narrative submitted to NeighborWorks: review of factors contributing to increased certification time, financial wellness programs to improve collection rates, resident selection criteria for PSH properties, and the restructuring of the curb appeal program.

PROJECT CONSTRUCTION UPDATES

With the shutdown of construction due to shelter-in-place orders, Pine Avenue, Grandville, and Franklin Apartments have all been delayed in either lease-up or construction.

Pine Ave: Two buildings remain uncompleted; several apartments are near completion; hoping to move residents into some available townhomes that were completed at the end of March.

Grandville & Franklin: Staff is working with the architect and contractor to accomplish as much as possible during this time to hit the ground running when the order is lifted.

Ferguson: Still in the closing process; completion dates are difficult to estimate but the hope is that Pioneer will be able to start as soon as construction is allowed to resume. The insurance policy may be adjusted since only a portion of the residents still remain at the property.

OTHER BUSINESS

Management staff meets daily to discuss ongoing challenges in dealing with COVID-19 concerns. At current properties, work orders have been restricted to emergencies only, staff required to work on-site have been offered premium pay, and Dwelling Place has been approved for a PPP loan that should offset costs at several properties.

Mr. Larimore will contact Mr. DeVries to see if he is still interested and able to serve on the Committee.

ADJOURNMENT

The meeting was adjourned at 1:02 PM by Mr. Kogelschatz.