To: Dwelling Place Board  
From: Dennis Sturtevant  
Re: COVID 19 Update  
Date: November 25, 2020

It has been a few months since I last updated the board on the impact that COVID 19 has had on Dwelling Place. With more than 8 months passing since COVID first surfaced as an international pandemic, we are in a better position to make reasonable projections because we now know that Dwelling Place can continue to maintain essential services and supports, even in an environment where most meetings are virtual and where staff operate with much less physical presence at our properties.

Similar to my last report to you, I am breaking my report into several update sections including one for Staffing, Financials and Residents/Commercial Tenants.

**Staffing**

Shortly after “Shelter in Place” orders were issued back in March by Governor Whitmer, we realized we would not be able to comply with social distancing requirements without reducing on-site hours for a large number of employees in our administrative offices and at most office sites within our apartment communities. Today, while the Governor’s Executive authority to issue “shelter in place” orders has been substantially limited in recent court actions, the Michigan Department of Health and Human Services (MDHHS) has assumed this role under an existing statute that was adopted during the pandemic of 1918 and continues to require remote work whenever possible.

For a short period of time earlier this year, we did reduce hours for some of our staff. However, as one of the West Michigan’s first recipients of a PPP/SBA Loan for $750,000, we were able to restore hours to most employees, giving them improved access to equipment and technology needed to work remotely. Our Finance staff worked closely with Beene Garter and United Bank to secure those dollars, made possible through a Congressional appropriation under the CARES Act. This loan also carries provisions that allow for full or partial forgiveness under certain circumstances. Our staff are now completing the process to have this loan forgiven, possibly by the end of this fiscal year.

We have managed to ensure that no employee suffered a major financial hardship because of our actions related to COVID 19. We have also temporarily removed the accrual cap on vacation time during COVID 19 because staff are finding it difficult to take their vacation time during the pandemic with travel limitations and added workloads.
Dwelling Place has received confirmation of 5 employees, to date, who contracted COVID 19 and these seemed to be concentrated just several properties. Fortunately, we have not heard about any serious long-term complications thus far. This number has spiked in recent weeks but we remain hopeful that with precautions outlined in our COVID 19 Organizational Plan, we will prevent a more widespread outbreak.

Since March we have been conducting virtual Management Team meetings twice weekly and “ALL STAFF” virtual meetings every Friday morning, with excellent overall participation. We recently introduced a “First Friday” meeting open to both board members and staff where a special topic of interest is presented to take a deeper dive into Dwelling Place programs and services. At our upcoming December “First Friday” call on December 4th we will be hosting a panel discussion of the founding members of Dwelling Place, including Chuck Calati, the first Executive Director and 3 or 4 original board members.

Financials

As of this date, our unrestricted cash has improved from March because several of our largest projects in development have paid off pre-development construction advances from cash reserves and because of developer fee payments and limited dividend payments from several properties. The earlier hit we took in our traded securities accounts has bounced back substantially in recent weeks since the election and the announcement that a vaccine for the virus may soon be available.

Resident and commercial rent receivables have continued to rise, although not as substantially as we had earlier anticipated. With available rent assistance funds and proceeds we anticipate from the forgiveness of our PPP loan, we expect substantial capacity to absorb rental losses for 2020 into 2021. I will ask our CFO, Steve Recker, to provide a more detailed report during the COVID 19 Update portion of the board meeting.

Rent assistance is available to residents, at least through the end of the year, from CARES Act funds being distributed through MSHDA and other groups who are administering those funds. Unfortunately, the CARES Act funding requires that an eviction process be underway before that help can be made available. We also have funds remaining from an $80,000 grant from NeighborWorks for rent assistance that can be applied to some of these balances.

I mentioned in my previous update that approximately one half of our rental portfolio is made up of rent subsidized apartments. The portion of rent paid directly by these residents is automatically reduced when their income decreases. The rent subsidy from HUD or Rural Development increases, in those cases, so the resident never pays more than 30% of their income for rent.

Finally, as I indicated earlier, we are seeking forgiveness of the $750,000 SBA PPP Loan. While we cannot be certain, we do have a high level of confidence that the loan will be
forgiven, which provides us with sufficient cushion to cover the majority, if not all, of the lost residential and commercial rents to date.

Residents and Commercial Tenants

Staff have performed far above the call of duty to provide as much support as possible for our residents and commercial tenants. We have posted information about COVID 19 in every property, including CDC and local health department recommendations and guidelines. The information has been posted in English in all locations and in Spanish in many locations.

We have re-deployed our Maintenance and Custodial staff to focus on sanitizing building entrances, hallways and elevators once, twice and sometimes 3 times daily, depending on the property and the number of units in each property. For a brief time when COVID 19 case were beginning to decrease this summer we began responding to routine work orders but we are now back to only completing emergency work orders to protect staff and residents. We are using personal protective equipment (PPE) in all of our on-site work.

Our property management staff, Resident Services Coordinators and Community Building & Engagement staff have been routinely interacting with residents through phone calls, surveys, email, virtual meetings and some limited social distanced meetings.

We have had heard reports of COVID 19 cases in many of our properties but we have not been contacted by any of the local Health Departments to inform us of any concentrated infectious breakout in any of our properties.

This Spring we did receive approval from local Health Departments in Kent, Ottawa and Muskegon Counties to open our Community Gardens with precautions which were observed during the entire growing season. We seemed to have made it through this growing season without evidence of COVID 19 spreading in this activity.

Clearly, like the rest of the world, our residents are feeling much stress from the pandemic. Our staff are doing everything possible to reach out and assist our most vulnerable residents and to mitigate these impacts for the rest of our residents.

If you have any questions about this report or would like further clarification regarding any information shared in this report, feel free to contact me by email at dsturtevant@dwellingplacegr.org or call me on my cell phone at 616-893-2500.

Thanks for your continued engagement and support for myself, our staff and the households served by this organization. Have a safe and peaceful Thanksgiving and holiday season.

cc: Management Team
Zoe Post