MINUTES
Committee of the Whole
Monday, March 12, 2018 @ 5:30 p.m.
City Council Chambers

CALL TO ORDER
Council President Wood called the meeting to order at 5:30 p.m.

PRESENT
Councilmember Kathie Dunbar- arrived at 5:33 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley- excused
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT
Sherrie Boak, Council Staff
Eric Brewer Internal Auditor
Jim Smiertka, City Attorney
Brett Kaschinske, Parks & Recreation Director
Amanda O'Boyle, Assistant City Attorney
Heather Sumner, Deputy City Attorney
Brandon Waddell, Assistant City Attorney
Samantha Harkins, Mayors Executive Assistant
Angela Bennett, Finance Director
Mayor Schor- arrived at 6:50 p.m.
Elaine Womboldt
Loretta Stanaway
Sarah Lehr, LSJ
Martell Armstrong, Lansing Housing Commission Executive Director
Jeff Klueg, Lansing Housing Commission Attorney
Amy Fontaine

Minutes
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM MARCH 5, 2018 MEETING AS PRESENTED. MOTION CARRIED 6-0.

Council President Wood explained to the Committee that her goal as President this year was to make sure the Council was not getting items for the first time the same night they were being asked to take action on them. Unfortunately, the MNRTF grants that were added to the agenda, she noted have an April 1st deadline, which required a presentation at this meeting, and action on setting a public hearing. The hearing will be held March 26th and the same night Council will vote on them. Council President Wood added that the other additional item was for the recent Treasury notification regarding the City's ERS, Police Fire and OPEB. This requires action by resolution from Council to authorize the applications for waives are submitted.

Public Comment on Agenda Items (Up to 3 Minutes)

Ms. Womboldt spoke regarding the Lansing Housing Commission (LHC) and their property at 3200 S. Washington. She also asked the LHC to consider clients as a member of the LHC Board. Ms. Womboldt concluded by asking the Committee if the MNRTF Grants would be part of 2018/2019 budget.

Ms. Stanaway spoke on the MCRTF Grants, supporting the one for Willard Avenue, in opposition for the one on Hunters Ridge, opposition to the one on Cambridge Road, opposition to the Rudy Wilson Park and supported the grant for the property on Wise Road. Her suggestion to the Committee was to not purchase anything unless they sell Waverly Park and the Red Cedar property.

Discussion/Action:

- RESOLUTION – Set the Public Hearing; Land Acquisition Grant Application; Authorizing Michigan Natural Resources Trust Fund (MNRTF) Acquisition of Willard Avenue Parcel 33-01-01-27-426-001

- RESOLUTION- Set the Public Hearing; Land Acquisition Grant Application; Authorizing Michigan Natural Resources Trust Fund (MNRTF) for Acquisition of 4000 Hunter's Ridge Drive, Parcel 23-50-40-25-451-022

- RESOLUTION – Set the Public Hearing; Grant Application; Michigan Natural Resources Trust Fund (MNRTF) Grant Funding to develop the River Trail connection of Cambridge Road to Frances Park River Trail

- RESOLUTION- Set the Public Hearing; Grant Application; Authorizing Michigan Natural Resources Trust Fund (MNRTF) Grant Funding to develop a one-mile walking path within the Rudolph and Dorothy Wilson Park

- RESOLUTION – Set the Public Hearing; Grant Application; Authorizing Michigan Natural Resources Trust Fund (MNRTF) Grant Funding to acquire Wise Road Parcel 33-01-05-06-202-021

Mr. Kaschinske provided a power point handout (attached), pointing out that the (3) three Acquisition Grants are where the property owner will receive funds and the sale price is the appraised price. This price also includes closing costs and there is no negotiating on any price. The first property highlighted was Hunters Ridge, which he reminded them he had spoken about a few weeks earlier at the FY2018 Budget Update discussion. There was a house on the property that was 100% fire damaged, so demolished and removed. This 1.6 acres would be added to the surrounding 100 acres and provide total control of the parcel to the City. Of all the acquisition parcels, it will be assessed at the highest. The total cost of the acquisition is $121,900, the grant amount comes in at $91,425 and the City share, coming out of the acquisition fund, will be $30,475. There are no plans for development on this site, Mr.

Kaschinske noted, but to keep at natural park land. The second acquisition property is 3.47 acres on Willard Avenue. Mr. Kaschinske highlighted the location of the property at the trail head which will square up the property line near Scott Woods. This will now become a portion of Scott Woods and will remain wooded in the flood plain as the other one is. The acquisition price on this parcel is $23,100, a grant amount at $17,300 and the City portion at $5,800. Mr. Kaschinske moved onto Wise Road acquisition which is $27,000, with a grant at $20,500 the final City cost at $6.900. He noted this was a smaller .59-acre parcel adjacent to a baseball field and will created a larger buffer from the neighboring land.

Council Member Spadafore asked if the cost for the Hunters Ridge parcel included clearing the land from the fire damaged structure. Mr. Kaschinske clarified the home was already demolished and the material removed. They are finishing up removing fencing, but the site is cleaned up.

Mr. Kaschinske moved the discussion to the next grants which were development grants. The first one presented was thee Cambridge to France Park Trail connection that will cost the City $363,000, a grant amount of $297,000 bringing the total to $660,000. The property is located on the North side of Moore's River and is all City property. This project includes a board walk at the river which is asphalt on the land but will have a board walk and across from the Michigan Princess launch. The last grant, which is also a development grant was for $375,000, grant amount at $277,500 and the City attributing $97,500 towards a one (1) mile loop within the Rudolph & Dorothy Wilson Park that will connect the river trail.

MOTION BY COUNCIL MEMBER WASHINGTON TO SET THE HEARING FOR THE MICHIGAN NATURAL RESOURCES TRUST FUND GRANTS FOR MARCH 26TH. MOTION CARRIED 7-0.

PRESENTATION

Mr. Armstrong and Mr. Klueg introduced themselves, and briefly outlined their property inventory at 4 asset management properties with 200+ unites in each. They are the landlord to the low income public housing program, and they also a Section 8 housing program which is under 1,800 units.

Council Member Jackson asked Mr. Martell to explain what their standard is for "suspected criminal activity". Mr. Armstrong confirmed their practice is that for any evictions for criminal activity, they have to have a police report before they can file the papers in court for an eviction. They obtain the report via FOIA with the police department. Mr. Armstrong then moved on to earlier submitted questions from Council Member Jackson answering those. The first question being; how many residents have been kicked out of their homes for non-criminal activities in the last 2 years, and what types of activities are they being kicked out for. He confirmed there had been 75 evictions in last two years, and the overwhelming eviction percentage is for not paying rent, and a lesser number is lease violation. The next question by Council Member Jackson was questioning if residents were being kicked out for "criminal activities" without that activity being report to the police or without a police report. Mr. Armstrong confirmed 99.9% are reported to the LPD and they use the police report as evidence before eviction. Council Member Jackson asked if those potential evictees are given the change to voluntarily leave. Mr. Armstrong confirmed they are, and the tenant gets a choice or chance to leave premise before they go to eviction court. Mr. Klueg added that the tenant can enter into a settlement agreement to not affect them going forward, so in total they have two (2) chances before going to court. Mr. Armstrong moved onto the next question which was if the LHC uses Steven Dunnings as their attorney, at which he stated they had not since he started with the LHC which was before February 2017. The last question from Council Member Jackson was; what the average wait period for those is who qualify to receive housing. With the public housing program, Mr. Martell stated, they maintain a wait list to replenish once they have occupancy available. Each wait list is site specific, and within that wait list is also a wait list on unit sizes. The average wait is 3-9 months depending on the circumstance.

Council Member Hussain briefly referred back to work that was done at the LHC property at 3200 S. Washington in collaboration with the LPD, Council Committee on Public Safety, Residence Council and LHC, and asked if those ideas have been implemented at all their other locations. He also asked what the LHC is doing to address concerns with retaliation and and assuring the residents they can bring concerns to the LHC. Mr. Armstrong answered the question, that at 3200 S Washington they have made multiple attempts to make it less of a place for crime and increase the feeling of resident safety. They have installed access controls at the entrance, surveillance cameras, and increased the partnership with the LPD. They would still like to increase the installation of cameras. He noted he personally has made attempts to instill trust in the residents. The LHC is taking the Residence Council to the other sites but wants to make sure the 3200 S. Washington Resident Council is running strong before taking it to other sites.   The LHC has moved their board meetings to the sites to have public access. He concluded that he has not received any feedback that there are complaints about staff and residents. They are considering staggering the staffing at the sites, but with finances they cannot do that currently but are considering funding sponsorships to discuss those options.

Council Member Washington asked Mr. Armstrong what he believed his responsibility was to the LHC at which Mr. Armstrong stated his belief was that he had an obligation to make sure they are providing customer service, and keeping a safe sanitary home for residents to live in. Council Member Washington then asked him what his responsibility was for the 1800 Section 8 housing units. Mr. Armstrong informed her it was to make sure the funding is being utilized, make sure they are providing good tenants to the landlords, and doing good back ground checks. Council Member Washington then asked if they have any responsibility to make the units safe, clean and up to code. Mr. Armstrong confirmed they have annual inspections on each unit, and if there are any issues it should be brought to his attention to address. They are not a management company with these types of units but assist with getting an individual to rent from the landlord and it is the landlord responsibility. Under the Section 8 program the resident signs a voucher and that voucher is a contract. Under that voucher is a list of obligations and if they violate it, the LHC can take the subsidy. Council Member Washington asked if the LHC inspects these units, and Mr. Armstrong confirmed it is mandatory and done annually to re-determine their eligibility to continue in the program. To be eligible for the program the unit must pass inspection and the tenant must qualify. HUD has recently given a number of administrative easements, so some units are on 2-year inspection cycle instead of annually. Council Member Washington then asked Mr. Armstrong about the programming he stated he would be planning to provide at the sites. She referenced specifically the site at Hildebrand, which she was pursuing a GED program at. She also informed Mr. Armstrong she was instructed not to visit the site without the LHC. The program was introduced at 3200 S. Washington, and she asked it be provided at the other sites as well. Mr. Armstrong acknowledged that Council can visit the LHC properties without his permission. At the 3200 S Washington property, he admitted that having the Resident Council has helped the progress and programs. The LHC has signed a recovery agreement making sure the administration is in order and complying with HUD. Council Member Washington assured Mr. Armstrong she will continue to reach out to him and his office.

Council Member Jackson asked what the eviction decision process was that they used, if the prosecutor chose not to press charges. Mr. Armstrong said it is handed on a case by case basis, and Mr. Kleug added that most of the times they have police reports, but in an instance where there is a situation where someone is physically threatening and someone feels afraid, they have the standard administrative appeals with the LHC themselves. LHC will also perform an investigative interview on everything.

Council Member Hussain asked what the LHC was doing to support their Resident Council. Mr. Armstrong admitted they are closer than they were a year ago. The Council has finally instituted their by-laws and will move to establish a contract and from their will institute the stipends. He supports the Committees concerns and stated he was committed to establishing the Resident Council structure at all sites.   Council Member Hussain then asked if they had established a two (2) key system at 3200 S. Washington so to eliminate a $50 lock out fee. Mr. Armstrong admitted he could not answer that currently but was positive they had a fob for the front door and key for their apartment. Their concern is that if there are too many keys then more than one person has access to their apartment. Council Member Hussain asked for an update on the project of installing bolt locks on all the doors. Mr. Armstrong admitted they have always said they will purchase them and have been told the City was going to find a contractor. Council President Wood stated she would resend the emails on the contractors to Mr. Armstrong.

Council Member Dunbar asked if the LHC had seen any cuts with the new administration at the Federal level. Mr. Armstrong confirmed that their two dominate funding sources are Capital Funds and operation funds. Both have seen significant cuts; the Capital Fund at $300,000- $400,000 in 2017. This forces them to have more efficient funding practices to maintain their level of service. Council Member Dunbar asked if that was the reason for their staffing vacancies. Mr. Armstrong denied it impacted those because those had been budgeted. Council Member Dunbar then asked if any of the LHC properties had applied for CDBG or City funding through the HRCS department. Mr. Armstrong confirmed they have a number of partnerships including Oliver Gardens has CDBG and HOME funds they use for funding the structure. They receive funds from the City HRCS Department and have a partnership where LHC administers the housing grant, shelter grant and those operate similar to a housing choice voucher. Council Member Dunbar encouraged the LHC to apply for funds to apply for staffing, but Mr. Armstrong clarified they cannot be used for staff but they did apply for the computer learning centers.

Council President Wood asked if the LHC had done anything to take the financial burden away from the Resident Council for what they need. Mr. Armstrong state there was nothing currently before him, but he would be open to the idea.   Council President Wood then asked if in the side by side units they would consider starting a neighborhood watch.

Regarding the 1800 Section 8 units, Council President Wood asked if any of the single-family homes were actually owned by the LHC. Mr. Martell clarified that the 1,800 units mentioned are in the housing voucher program and subsidized to private landlords. Any single-family residence owned by the LHC is under the public housing program, not contiguous and there are about 200. Council President Wood asked if they provide any education to help the residents understand how to maintain a household and what to abide by. Mr. Armstrong confirmed it is a challenge and before they move in the LHC provides an orientation to address maintenance along with other areas. As they field complaints, they continue to provide a more in-depth orientation. They however do not provide any equipment because the LHC funding structure does not allow for buying equipment. There are responsibilities that the family assumes when moving into a single-family unit and the LHC wants to make sure they are successful.

Council President Wood asked if the LHC has any outstanding violations and fines they have with the City. Mr. Armstrong admitted they began working with the previous administration on drilling down on the specifics to resolve them. Council President Wood asked the Administration to work with Mr. Armstrong on addressing the issues.

Council Member Washington asked Council President Wood if the resident in the audience whom she knew was a resident of 3200 S. Washington could speak.

Ms. Fontaine spoke as a resident at 3200 S. Washington and former member of the Resident Council at that location. She stated she had resigned due to what she called the lack of communication with the LHC. She stated they had become business and dollar oriented, and this left public housing residents dependent on the funding received and some residents feel they are entitled. Ms. Fontaine asked the LHC to create a policy that would require new residents to enroll in school within 3 months of signing a lease and focus on opportunities. Ms. Fontaine then asked Mr. Armstrong why some residents at 3200 S. Washington denied access to City officials and the Lt. Governor so she requested one on one with community leaders. Ms. Fontaine asked for a written response to her concerns.

Mr. Armstrong clarified for the Committee that the HUD policy is 75% of new resident at low income category, so the funding is administered to help the poor of poor due to mandatory. Regarding the education piece mention by Ms. Fontaine, he agreed and could provide resources for assistance on the GED classes. Addressing the statement that Ms. Fontaine was not given access to the Lt. Governor, he clarified the issues came up because there were logistical issues to address since it was not scheduled through his office, so they agreed to come back at a later date.

Council Member Washington stepped away from the meeting at 6:51 p.m.

Council Member Hussain asked Council Leadership to reach out to the LHC Board for a joint meeting similar to the Committee and BWL Board bi-annual meetings.

Council Member Hussain stepped away from the meeting at 6:53 p.m.

Council Member Dunbar asked if the programming is at all the site, and which Mr. Armstrong confirmed. Council Member Dunbar also noted for the Committee that all the sites there are AmeriCorps workers performing tutoring in addition to other things.

Council Member Washington returned to the meeting at 6:54 p.m.

DISCUSSION/RESOLUTION- Treasury Notification on underfunded ERS Pension
Council Member Hussain returned to the meeting at 6:55 p.m.

Council President Wood reminded the Committee of the statement made at an earlier meeting by the FHT that confirmed the City might have to do a waiver or corrective action. Within the last week the City received a notice from the State Treasury stating the condition so they now have a 45 day to comply.

Ms. Bennett detailed for the Committee that the State Legislation adopted in law December, 2017 that all communities that have a pension will have to file figures with the State and upon that they will provide feedback on it based on underfunded or funded. The City has two (2) systems; ERS and Police & Fire. The City knew at the time they filed that the ERS is below what the State categorizes as underfunded. The City is 57.6%, the State bar is 60%. The Police & Fire is under funding at 69.4% but is not under the State bar. Ms. Bennett then informed the Committee that the next steps is apply for a waiver which includes telling the State what steps the City has done over the last 6 years. By looking at the actuarial, the City should hit 60% in 2020. Ms. Bennett assured the Committee that the waiver is not unique but a State-wide problem. Once the State receives the waiver, they will review and notify the City of their determination. If they do not accept the waiver, the City will have to submit a corrective action plan. Ms. Bennett concluded that the waivers require Council and Mayoral approval, therefore they are asking for approval of the resolution and waiver.

Council Member Spadafore pointed out that the waivers the Committee had received from the administration had missing information in the blanks. Ms. Bennett assured them she would forward the completed documents to the Council before their action on March 26th.

Council Member Jackson asked if the changes listed in the waiver would be enough considerations to bring them out of the underfunded designation. He then asked Ms. Bennett and the Administration what they believe would be wrong in just doing the corrective action plan now, instead of filing the waiver now, waiting to see if it is accepted, and then having to do a corrective action plan. Ms. Bennett stated that the waiver is the first step. If they have to do a corrective plan the State will come in and look at it. Council Member Jackson asked again if there was a process or step where the City does not have to apply for the waiver. Ms. Bennett answered the question by noting the option at this point is to do the waiver or not do the waiver. If the decision was not to apply for a waiver it would go to correction plan.

Council President Wood referred back to the CSO 20-year plan, which had a condition that if the City did not meet the criteria then it would have reverted back. She asked if this corrective plan was set up the same way and create a liability. Ms. Bennett was not able to answer with details but referenced that they would have to see where the State goes with it.

Council Member Washington spoke in support of the applications.

Council Member Spadafore stepped away from the meeting at 7:09 p.m.

Mayor Schor agreed that the issue is critical, and also confirmed he was in the legislation when the law was passed in 2017. The legislation was written so that if the municipality does not hit the mark, they must show the State what they are doing, and if the State accepts it to move forward, they will look at it later. If the State does not accept the waiver, there is a State Board who works with the community to create a corrective plan. They will have 180 days to do a plan to submit to the Treasury.

Council Member Spadafore returned to the meeting at 7:11 p.m.

Mayor Schor concluded by stating that if the State believes the City has done the work to move forward, not saying the Legislature will not come back and make changes and more restrictions.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION APPROVING THE WAIVER APPLICATIONS FOR THE CITY'S EMPLOYEES RETIREMENT SYSTEM, THE EMPLOYEES RETIREMENT SYSTEM OPEB PLAN AND THE POLICE AND FIRE OPEB PLAN TO THE STATE OF MICHIGAN. MOTION CARRIED 7-0.

Other

PLACE ON FILE – Report of Board, Authority and Commission Term Expirations
MOTION BY COUNCIL MEMBER SPADAFORE TO PLACE THE DOCUMENT ON FILE. MOTION CARRIED 7-0.

Boards/Commissions Updates (excluding Council Committee Assignments) Council Members
Council President Wood informed the Committee that at the April 2, 2018 Committee of the Whole meeting they will each report out on the outside Boards and Commissions they sit on.

ADJOURN

The meeting was adjourned at 7:15 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on March 26, 2018