

**CHARTER TOWNSHIP OF YPSILANTI
MINUTES OF THE APRIL 15, 2014 WORK SESSION**

Supervisor Stumbo called the meeting to order at approximately 5:00 p.m. in the Ypsilanti Township Civic Center Board Room, 7200 S. Huron River Drive, Ypsilanti Township.

Members Present: Supervisor Brenda L. Stumbo, Clerk Karen Lovejoy Roe, Treasurer Larry Doe, Trustees Stan Eldridge, Jean Hall Currie, Mike Martin (arrived 5:48 p.m.) and Scott Martin

Members Absent: Trustee Mike Martin

Legal Counsel: Wm. Douglas Winters
Angela B. King

EXECUTIVE SESSION

A motion was made by Treasurer Doe, supported by Trustee Scott Martin to go into Executive Session to discuss Charter Township of Ypsilanti Vs. Ikechukwu Odum, Jr. – Washtenaw County Circuit Case No. 14-205-CZ – 5688 Big Pine Drive Settlement Proposal

The motion carried as follows:

Eldridge:	Yes	S. Martin:	Yes	Hall Currie:	Yes	Stumbo:	Yes
Lovejoy Roe:	Yes	Doe:	Yes	M. Martin:	Absent		

The Board went into Executive Session at approximately 5:00 p.m. and returned to the Work Session at approximately 5:46 p.m.

CLARK EAST TOWERS DISCUSSION ATTORNEY WINTERS

Attorney Winters provided a brief background into Clark East Towers and explained it was the only senior citizen, high rise apartment complex in the Township and that it received a significant tax abatement referred to as Payment In Lieu of Taxes (PILOT). He provided a brief explanation of how the PILOT worked. Attorney Winters said over the years the Township Board has had a close and successful working relationship with Clark East Towers.

Attorney Winters provided a brief overview of how the National Church Residences (NCR) ownership had allowed problems to escalate out of control, such as bedbug infestation, drug dealing, prostitution, burglary, and blight. He also reported that NCR

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had requested a waiver regarding the age restriction for seniors from HUD which violated the PILOT program and agreement with Ypsilanti Township.

Attorney Winters said in hindsight, the Township should have required some type of municipal service agreement when negotiating the PILOT. He said that would allow the Township to be reimbursed for the expenses incurred for the Washtenaw County Sheriff's Department and Fire Department response to the problems mentioned earlier.

Mr. Winters explained the Board had met with representatives of NCR and asked for a comprehensive remedial action plan. He explained that had been late in coming. Attorney Winters presented his recommendation for an action plan, with the goal for Clark East Towers to be restored and succeed in the long run.

Pam Monroe, Property Management Vice President, National Church Residences from Columbus, Ohio agreed with Mr. Winters and the goal to support and improve senior housing at Clark Towers. She said she did not know where things had gone wrong, but apologized, acknowledging their failure to hold to the standards they had promised and stated her commitment to properly restore the relationship with the community and the Township Board.

Ms. Monroe provided a brief overview of the steps NCR had already taken and were willing to take to remedy the situation, including contact with HUD regarding age exemption waivers. She stated NCR was committed to make the property better and had done over a million dollars of improvements at the property last year and planned additional work this year.

Ms. Monroe outlined their plan to eradicate the bedbug infestation and for surveillance and communication to improve crime prevention. She explained it was their goal to score highly on an inspection, required by HUD, called REACT (Real Estate Assessment Center) that would take place in June 2014.

Ms. Monroe gave a high commendation to Robyn Warden for her management of Clark East Towers and her interaction with the residents.

Supervisor Stumbo voiced her disappointment that the Township Board had become aware of the bedbug infestation at a Neighborhood Watch meeting. She stated they had met with the Sheriff's Department and learned of other issues resulting from the basic problem of the screening process being flawed and renting to the wrong people.

Ms. Monroe agreed there was a problem, but they were trying to find out if the crimes were originating from the actual residents themselves, or from visitors that were residing illegally with the seniors. She explained that was part of what they were trying to determine with the upgraded security.

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Supervisor Stumbo stated Clark East Towers had been a part of the community for a long time and there had never been an issue with bedbugs in the past. She said the issue had not been properly handled at the corporation headquarters in the very beginning of their ownership.

Attorney Winters asked for clarification on the duration of the security coverage and Ms. Monroe responded after a period of thirty days, the information would be evaluated to determine the next course of action.

Mr. Winters stated HUD's inspection would not satisfy the Township Office of Community Standards or this Board. He again alluded to the improper screening process of potential residents as being the root of the problem. He felt the only way to reach a proper settlement was to allow the Township inspectors to deem each unit in Clark Towers a safe and decent place to live.

Pam Monroe stated they would gladly share their screening process with the Board. She stated they rejected anyone with a criminal or drug record and reiterated that she felt the criminal element was coming from outside influences, not their residents. She said they would be happy to share their qualifying guidelines, house rules and lease with the Board.

Supervisor Stumbo stated she felt their guidelines were not stringent enough.

Ms. Monroe stated she was willing to work with the Board to strengthen their acceptance policies.

Clerk Lovejoy Roe presented the example of one of the local landlords that goes to the Washtenaw County Courthouse to research the background of prospective tenants. She said she remembered how people had faced a waiting list to get into Clark East Towers at the beginning because of the wonderful reputation it had, which was no longer the case. She felt, after researching their financial records, they should have a full-time or at the very least, a part-time staff person who was not part of management that would check on the residents, oversee their health issues and provide outings.

Ms. Monroe clarified that they did have staff that provided those services but HUD would not allow funding for community wide activities.

Trustee Eldridge asked for Ms. Monroe's title, which she provided as being Vice President of Property Management and also stated she had been with the company for three months. He asked if she was in a position to make a decision to allow Township inspectors to inspect each unit of Clark East Towers. She stated they would be happy to escort the inspectors to unoccupied units tomorrow, but would have to give the residents of occupied units notice. Trustee Eldridge addressed the letter that stated the upgraded security was only for a thirty day period to which Ms. Monroe stated that was the time frame in the proposal. Trustee Eldridge asked if there was any reason not to

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continue with the security if it had, in fact, made a difference thus far. She answered they still have to evaluate the camera and the additional lighting results in addition to the security guard and check-in process. Discussion followed on the lease requirements with HUD and the eviction process. Trustee Eldridge stated NCR had violated the PILOT and nothing that had been discussed during this meeting gave him any confidence these issues would be corrected. He said he could not support continuing the PILOT unless the Township was allowed to inspect the premises and look at the four items put forth by the Board.

Supervisor Stumbo asked if HUD made allowance for the expenditure for security. Ms. Monroe stated they did.

Trustee Scott Martin stated the whole issue was a shameful embarrassment and the only reason Ms. Monroe was here was because NCR was not doing their job.

Treasurer Doe asked what the Clark East Towers occupancy was when NCR took over in 2010. Ms. Monroe stated it was at 94%. He stated he didn't understand the reason for seeking the HUD age waiver.

Kathy McDonnell, Vice President of Asset Management; National Church Residences acquired the property in 2007 and sought the HUD waiver in 2010 when an occupancy issue arose. She stated she had been with the property since 1992 and NCR came in fully in 2010.

Mr. Doe asked if they had waivers in all facilities and the answer was reported by Supervisor Stumbo, as Ms. McDonald shaking her head no.

Supervisor Stumbo stated the goal of the Township was for Clark East Towers to be a better place for our seniors and that was the reason for the tax deferment in the first place.

Trustee Eldridge asked if HUD had been contacted regarding the agreement with them being in contravention with the PILOT agreement. He asked if NCR would be amenable to request a release on the 42 units affected by the HUD waiver. Ms. Monroe stated NCR would be willing to do that and agreed that the Township Attorney could be included in that discussion.

Ronald Fulton, Building Director provided a brief overview of the issues, violations and, after hearing discussion this evening, multiple repairs and upgrades without issuance of permits or inspections, existing at Clark East Towers.

Trustee Eldridge stated NCR had disregarded our local municipality rules time after time and had simply lied, about not knowing about the PILOT.

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Trustee Mike Martin read a portion of a letter from NCR dated April 10, 2014 regarding upgrading security for a period of thirty days. He stated, in his experience that at the end of that thirty days, when all the issues have died down, NCR will say there doesn't seem to be a problem anymore and will return to the original security plan. Ms. Monroe stated that was not the plan, rather an evaluation would take place after thirty days. She reported NCR was in the process of securing bids for security cameras that would give the police department direct access. She said NCR was aware a long-term commitment must be made in order to turn this property around.

Samantha Towler, Augusta Township Resident and representative of Crime Security reported there had been a drastic increase in service calls, incidents and visitors at Clark East Towers. She presented an overview of Crime Security's course of action and stated there had already been significant changes in policy.

Supervisor Stumbo pointed out that the PILOT was a deferment of \$200,000 a year in taxes, making the total savings of \$1.4 million since NCR had owned Clark East Towers. The Supervisor stated that NCR said they had done a million dollars in improvements to the property and added it was only reasonable that they should have.

Trustee Eldridge asked Ms. Monroe when the Township Board could expect answers.

Ms. Monroe asked for a copy of a Municipal Service Agreement, since she was not familiar with that and said she would need to speak with someone regarding the procedure and fee for the requested inspections. She asked if thirty to sixty days was too long.

Trustee Eldridge stated that was too long and wanted answers within two weeks.

Clerk Lovejoy Roe stated someone within NCR needed to have the ability to make emergency, crisis intervention decisions on the local management level.

Attorney Winters agreed NCR would provide the information requested.

Ms. Monroe stated they would begin addressing the inspections right away and agreed they had already ceased granting age exemption waivers.

ADJOURNMENT

The meeting adjourned at approximately 6:55 P.M.

Respectfully submitted,
Karen Lovejoy Roe, Clerk