



## HOUSING CONNECT

### MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF COMMISSIONERS

December 16, 2020

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**PRESENT (video):**

Jennifer Johnston – Chair  
Mark Johnston – Vice Chair  
Phil Bernal – Commissioner  
Erin Litvack – Commissioner  
Spencer Moffat – Commissioner  
Christine Nguyen – Commissioner  
Gwen White – Commissioner

**STAFF PRESENT (video):**

Janice Kimball – Chief Executive Officer  
Andre Bartlome – Chief Finance Officer  
Zach Bale – Chief Programs Officer  
Mike Kienast – Chief Operations Officer  
Jeremy Runia – Real Estate Development Director  
Dan Pincock – Executive Administrator

**GUEST (video):**

Brent Stratton – B2A CPAs

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**COMMENCE**

The Housing Connect December 2020 Board Meeting was held virtually on Wednesday, December 16, 2020, and commenced at 11:42 a.m. Chair Jennifer Johnston welcomed everyone to the meeting.

**1. PUBLIC COMMENT**

Chair Jennifer Johnston noted that there were no members of the public in attendance.

**2. ACTION ITEM – Audit Report**

Guest Brent Stratton (B2A CPAs) attended the meeting, and his Housing Connect audit report presentation was moved to the first item on the agenda.

His slides included:

*- Housing Connect 6/30/2020 Financial Statements: Presentation to the Board*

He summarized that there were two major impacts to this year's budget: 1) COVID; and 2) the sale of some public housing through the Rental Assistance Demonstration (RAD) program.

*- Communications to those charged with governance*

He explained the following points:

- No disagreements with management
- Difficulties in completing the audit. He described the issues with fixed assets, which included: a) efforts were made to clean up old items; b) modernization of Public Housing, Covewood, and owned units, with additions valued at \$2 million; c) RAD dispositions in Public Housing with properties sold to third parties and some sold to business activities, and they needed to be accounted for differently (fair market value vs. cost); d) employee turnover in the middle of the process

with Vicki Caldwell retiring and Tom Biesinger taking over.

- No instances of fraud or abuse
- Uncorrected adjustments – none
- Findings or control issues – none

*- Independent Auditors' Report*

He briefly outlined management's responsibilities and the auditors' responsibility and noted that the auditors' opinion was that the audit was clean.

*- Statements of Net Position*

He highlighted the financial statement impacts. For current assets, there was an increase from \$7 million to \$20 million. Cash increased by \$9 million due to the sale of public housing and CARES Act funding, and there was an increase in Accounts Receivables from the development of The Hub properties. The remainder of the assets was stable year to year.

*- Statements of Revenues and Expenses*

Brent Stratton talked about the increase in operating subsidies and grants of \$3.6 million and the increase in revenues (\$2.4 million in the Housing Choice Vouchers program; \$600,000 in Continuum of Care funding; \$400,000 in Pamela Atkinson Housing Trust Fund; and \$300,000 in COVID-19 rental assistance and CARES Act).

Other revenues included the sale of capital assets (\$10.9 million gain). He added that \$500,000 were transferred in Capital Funds for the RADomatic properties, and he pointed out that \$600,000 in port-ins were not absorbed in the budget.

There was an increase in admin expenses, mostly in administrative salaries, which CEO Janice Kimball pointed out reflects the Section 8 team as well as management (i.e., all employees except those in maintenance or tenant services). Housing Assistance Payments (HAP) expenses increased by \$2.2 million, while HAP income increased by \$2.4 million.

*- No findings to report for federal or state compliance*

Brent Stratton reported to the Board that there were no findings to report for federal or state compliance.

CFO Andre Bartlome said that the \$13.4 million net increase (compared to 2019's loss of \$0.6 million) was mainly because of the sale of the proceeds (of the disposition properties). In reply to CEO Janice Kimball's question on restricting the money from the sale, Brent Stratton informed everyone that there is the ability for the Board to restrict how the funds are spent (right now, it is reported as unrestricted cash) and that it could be reported as cash restricted by the Board with a footnote that this cash is restricted for purposes as the Board determines. Commissioner Bernal commented that in the future, when comparing budgets to 2020, the Board needs to remember that the increase in 2020 was due to the sale of the properties that occurred this year (and not due to rent revenue).

Commissioner Mark Johnston motioned to approve the audit report, and Vice Chair Moffat seconded the motion, which was favorably voted on by all Board members (Chair Jennifer Johnston, Vice Chair Moffat, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White), and the audit report was accepted.

**3. CONSENT AGENDA**

There were two items in the Consent Agenda which needed Board approval: The revised Housing Connect October 2020 Board Meeting minutes (with the addition of the details of the Moving To Work section of the meeting) and the Housing Connect November 2020 Board Meeting minutes. Commissioner Litvack made a motion to approve both sets of minutes, and Commissioner White seconded the motion. All Board members (Chair Jennifer Johnston, Vice Chair Moffat, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voted affirmatively, and the minutes for the October and November Board meetings were approved.

**4. EXECUTIVE SESSION**

At 11:58 a.m., Commissioner Litvack motioned for the Board to enter Executive Session to discuss real estate and human resources matters, and Commissioner Bernal seconded the motion, with all Board members (Chair Jennifer Johnston, Vice Chair Moffat, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voting in favor.

At 12:17 p.m., Commissioner Mark Johnston motioned to return to regular (open) session, and Commissioner Bernal seconded the motion, with the remaining Board members (Chair Jennifer Johnston, Vice Chair Moffat, Commissioners Litvack, Nguyen, and White) also voting in favor.

**5. ACTION ITEM – Resolution #1025 (Approval of Housing Connect’s Moving To Work Application)**

Resolution #1025: Approval of Housing Connect’s Moving To Work (MTW) application – CEO Janice Kimball discussed Housing Connect’s actions in regards to its Moving To Work application. There was great participation at the Moving To Work presentation to the Board (held on Wednesday, December 9). To date, there were two resident meetings, followed up by two focus group meetings with tenants (about 17 – 20 residents were involved). 84% of the tenants were in support of Housing Connect’s application and the stepped rent method. There were also meetings held with community partners and advocates to receive additional feedback. CEO Kimball noted that overall the meetings were positive. The advocates shared one concern, for those who are most vulnerable and may not be able to keep up with rent increases, which she added the agency also shares that concern and will be mindful of it.

She said that she received good feedback on the application from Commissioner Mark Johnston and, as a result, will include language around the Social Determinants of Health and will scale back the vision statement on housing and services for all and will rather focus on those with the greatest need. She informed the Board that the agency will submit the application to an outside consultant (to be sent back to Housing Connect by December 25) and asked the Board to approve the current application, and if anything of substance is changed, a special Board meeting to adopt the Plan will be held.

Commissioner Nguyen motioned to approve Housing Connect’s Moving To Work application, and Commissioner White seconded the motion. The remainder of the Board members (Chair Jennifer Johnston, Vice Chair Moffat, Commissioners Bernal, Mark Johnston, and Litvack) were also in support of the submission of the application, and Resolution #1025 was approved.

CEO Janice Kimball expressed her thanks and appreciation to Chief Programs Officer Zach Bale and Grants Program Director Krysta Niemczyk, as well as Information Technology (IT) Director Jarin Blackham for all of their work and efforts on the application.

**6. QUARTERLY REPORT**

Chair Jennifer Johnston pointed out the financial report and asked about discussing the restriction of the sale of the disposition proceeds. CEO Janice Kimball felt that there needs to be a resolution to restrict proceeds of the sale at January’s Board meeting (and placed on the agenda) with a discussion at the retreat.

**7. CEO’s REPORT**

CEO Janice Kimball reviewed the following items for her CEO’s report:

- COVID: The agency has had 8 staff who have had the illness (however, none of them caught the virus at work or due to work-related spread). There have been 58 employees who have had to take time off due to being sick or possible exposure (and presently, there are 5 employees who either have the illness or are in quarantine). Two clients in Housing Connect’s more densely populated congregate sites are known to have the virus right now and both are compliant. Staff (along with the clients’ families) are working hard to make sure their needs are being met.

Turning to the impact to the budget, there are \$115,000 in tenant receivables which have not been received. Staff have been proactive in referring clients to various resources and have been flexible with payment plans. Bodhi has not received \$41,000; Bud Bailey has not collected \$35,000; and The Hub also has not received \$35,000. Of most concern is The Hub, because in order to receive the developers fee, Housing Connect needs to meet the operating debt-to-credit ratios (of 2.1). Housing Connect is working closely with Goldman Sachs and Columbus on how to proceed with those households. Twelve tenants (most of whom have service industry jobs) are refusing to pay rent and are not engaging with staff (in terms of seeking qualifying for assistance).

As for the finances, the agency, with CARES Act funding, is doing well. The one area in deficit is in the Paycheck Protection Program (PPP). There will be a \$101,000 deficit, assuming Housing Connect continues with 6 more months of shift differential/incentive pay. CEO Janice Kimball recommended to continue with the incentive pay and to re-evaluate in a few months.

[Chair Jennifer Johnston inquired about deaths at the properties and wanted to know if there were any issues with that this year. CEO Janice Kimball responded that there have not been as many deaths this year as there were last year.]

- Preference vouchers: CEO Janice Kimball said that 66 families have been housed on the 100 Rapid Re-housing vouchers, with 19 currently processing. The agency received \$89,000 in barrier elimination from the State of Utah for the 100 vouchers for those at risk.

- The Hub: The Hub of Opportunity will receive the Urban Project of the Year award from the Utah Housing Coalition.

- Grant: Intermountain Healthcare has awarded Housing Connect with a \$130,000 grant (for a 2-year period) for housing stability which will cover costs for one full-time employee (FTE) and some barrier removal. CEO Janice Kimball praised CPO Zach Bale and Housing and Supportive Services Director Russell Opatz who have put some great thought into how to best use the funding and how to intervene sooner so that people are not evicted or lose their vouchers.

- CareCuts: It was not possible for the CareCuts event to take place this year. Instead, 1,117 gift bags were prepared for children and their families. CEO Janice Kimball recognized Housing and Supportive Services Director Russell Opatz and his team, especially Youth and Family Services Coordinator Cassandra Meyers, who have done a nice job with that relationship, advocating for those families.

## **8. COMMISSIONERS INPUT**

Chair Jennifer Johnston asked the Board members if they had any information or input to report.

Commissioner White said that the Resident Advisory Board (RAB) did not meet in December, and so she did not have anything to report. She extended her holiday wishes to everyone.

Commissioner Nguyen informed the Board that she had taken the NAHRO training.

Commissioner Bernal, Vice Chair Moffat, and Commissioner Mark Johnston did not have any input.

Commissioner Litvack referenced the COVID vaccination distribution and said that it is going to take some time to sort it all out but that she will inform Housing Connect as she learns more about the numbers, anticipated timelines, etc. Chair Jennifer Johnston thanked her for all of her work at the County that she has been doing.

## **9. OTHER**

CEO Janice Kimball said that management is still finalizing the details for the January 20, 2021 Housing Connect Board of Commissioners Retreat. She said that she would like to have a discussion there on how to handle the disposition proceeds, whether to: invest in the property (and the money stays in the property long-term) or have an investment fund, where the agency can use the money and invest it for 2 – 3 years and then pull some money out, as it does long-term financing for the project and, if so, how much would Housing Connect charge itself for interest? Or how much to limit the investment, per type?

Commissioner Bernal felt that there should be a discussion at the retreat about what MTW will mean to the agency and how it will change the operation of the agency, if HUD accepts Housing Connect's application.

## **ADJOURN**

The meeting adjourned at 12:45 p.m.

Respectfully submitted,

Dan Pincock  
Executive Administrator