



HOUSING CONNECT

MINUTES OF THE MAY 2021 MEETING OF THE BOARD OF COMMISSIONERS

May 19, 2021

PRESENT (video):

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

STAFF PRESENT (video):

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Finance Officer
Mike Kienast – Chief Operating Officer
Zach Bale – Chief Programs Officer
Jarin Blackham – Information Technology Director
Ilez Brady – Housing Choice Voucher Director
Troy Hart – Real Estate Development Manager
Dan Pincock – Executive Administrator

COMMENCE

The May 2021 Housing Connect Board of Commissioners meeting took place virtually and commenced at 11:31 a.m. Chair Jennifer Johnston welcomed all in attendance to the meeting.

1. PUBLIC COMMENT

There were no members of the general public in attendance.

2. CONSENT AGENDA

Commissioner White motioned to accept the minutes, and Commissioner Mark Johnston seconded the motion, with all Board members present (Chair Jennifer Johnston, Vice Chair Moffat, and Commissioners Bernal, Mark Johnston, Litvack, Nguyen and White) voting affirmatively. The minutes of the April 2021 Housing Connect Board Meeting were approved. The other items on the Consent Agenda included the Hunter Hollow activity report and a staff update.

3. BUDGET DISCUSSION

CFO Andre Bartlome reviewed the draft FY2022 budget information. He included the following slides/topics:

- *FY2022 – Budget Timeline*: He reminded the Board about upcoming budget-related dates and what would need to be addressed in the current Board meeting.

- *Summary Budget for FY2022*: He explained the main reasons behind the specific program profits and losses in the budget, with the bottom line being that Housing Connect is scheduled to make a \$687,000 profit in FY2022, but this year's profit was somewhat of an anomaly because of the HUD funding for Public Housing units which have transitioned to RAD. He also briefly mentioned the other agency entities (AHA, HOI, Choice Property Solutions, and Housing Connect Fund).

- *HUD Funding Projections for Calendar Year 2021*: There was an increase in HUD funding for Public Housing and Housing Choice Voucher (HCV) programs. For HCV, there is a big increase in rent, so there is an inflation factor that HUD has given; there is an increase in vouchers and families that the agency is serving. Housing Connect will be receiving 131 Emergency Housing Vouchers, and there is a significant amount of administrative funds that go along with those particular vouchers. Overall, there is a \$4 million increase in Housing Assistance Payments (HAP) and a \$750,000 increase in administrative funds.

- *Capital Funding Awards/Public Housing Capital Item Priority List*: Capital funding has increased a lot over the last 4 years. Reserves had been going down, but in the last 3 years, they have gone up. Currently, there are \$1.1 million in reserves. For the Capital Item Priority List, it used to be 3 pages long, and now it is only one page in length. Housing Connect CFO Mike Kienast agreed to find additional information on the capital budget item for the air conditioning units at Valley Fair Village.

- *Salaries and benefits*: CFO Bartlome reviewed the benefit plans for medical and dental; Utah Retirement System (URS) rates; Basic Term Life; Accidental Death and Dismemberment; Dependent Life; Long-Term Disability; and Voluntary Life. He highlighted the couple of changes in benefits as a 1% increase in medical insurance premiums, a 2% decrease in dental premiums, and an increase in long-term disability from \$0.44 per \$100 to \$0.46 per \$100.

For new positions, the agency is proposing an MTW Director, a Social Determinants of Health (SDoH) education focus position, a general ledger accountant, a Resident Services Coordinator, a Grace Mary Manor (GMM) case manager (which had previously been filled by a partner), and a RAD-omatic properties case manager.

CFO Bartlome noted that the agency has seen a lot of employees leave/retire since January. Commissioner Mark Johnston said that it would be useful at the next Board meeting to have a summary of the employees who left and what the breakdown of reasons are.

He provided a salary increase history over the last 18 years. He said that the Consumer Price Index through March 2021 was 2.6%, and he talked about the salary survey. It was suggested that a benefits comparison could be provided next year and that the agency should look at the whole salary package, comprehensively and from a local market standpoint, as well as looking at the compensation package. CEO Janice Kimball said that Housing Connect should start working on this now and have solid recommendations for next year. Commissioner Bernal recommended that the agency look at the overall demographics (Salt Lake County area) of where it gets its employees.

CFO Bartlome presented various wage increase scenarios (and their costs). CEO Janice Kimball said that the Board would be asked to make two choices/considerations for salaries: 1) benchmarking to the Payscale; 2) salary percentage increase. After some discussion and thoughts shared by the commissioners and staff, the Board agreed that it would like to vote next month on a 3.6% salary increase for staff and a benchmark of 40% to the Payscale.

4. ACTION ITEMS

The Board considered the following items for approval:

- Resolution #1033: The Public Housing Admissions and Continued Occupancy Policy (ACOP) updates – CEO Janice Kimball pointed out that these were just updates to the Policy (administrative changes necessary to meet changes in HUD regulations and guidelines). Commissioner Bernal motioned to accept the updates, and Commissioner Nguyen seconded the motion. All Board members present (Chair Jennifer Johnston, Vice Chair Moffat, and Commissioners Bernal, Mark Johnston, Litvack, Nguyen and White) voted in favor, and Resolution #1033 (ACOP updates) was approved.

- Housing Connect Fund (HCF) Board Trustees nominations (Colby Dailey and Sandra DeBry) – Vice Chair Moffat motioned to accept the HCF Board nominations, and Commissioner Litvack seconded the motion. All Board members present (Chair Jennifer Johnston, Vice Chair Moffat, and Commissioners Bernal, Mark Johnston, Litvack, Nguyen and White) voting affirmatively, and Colby Dailey and Sandra DeBry were approved as trustees to the HCF Board.

- Changes to benefits plans – Commissioner Mark Johnston motioned to accept the recommendations for the changes to the agency's benefits plans as discussed earlier in the meeting, and Vice Chair Moffat seconded the motion, with all Board members present (Chair Jennifer Johnston, Vice Chair Moffat, and Commissioners Bernal, Mark Johnston, Litvack, Nguyen and White) voting affirmatively

5. EXECUTIVE SESSION

An Executive Session was not held during this Board meeting, as there were no items to discuss. Chair Jennifer Johnston reminded the rest of the Board about the CEO's compensation which would be voted on at the June Board meeting and that she would be sending out materials before the next Board meeting to the other Board members for consideration.

6. MOVING TO WORK (MTW) UPDATE

Housing Connect CEO Janice Kimball gave an update to the Board and discussed the awarding by HUD to Housing Connect of the Moving To Work (MTW) status. This has been a long-term goal and the result of an agency-wide effort (such as Public Housing and Section 8 High Performer awards, Accounting, etc.), and she thanked staff for all that they have done and the Board for its support. She also reviewed the timeline/next steps, which included hiring an MTW director, introductory training by HUD, signing the Annual Contribution Contract (ACC) (a draft copy of which was included with the Board packet for the commissioners' review and information), rolling out the plan outlining what Housing Connect would like to do during the first year (the first year's activities will largely be based around securing

research partners and preparing for the rent study), and Housing Connect will also look at some of the other flexibilities with Moving To Work and will prioritize which ones it feels it can successfully implement next year.

Commissioner Bernal remarked that Housing Connect was one of the ten agencies to be awarded MTW designation for this round (out of an overall total of 3,300 agencies and 39 housing authorities which qualified for this MTW cohort) and congratulated the agency and recommended forwarding this information on to the County Council and the Mayor's office, as well as to local Chambers of Commerce and to banking and lending institutions. CEO Janice Kimball said she would reach out to Commissioner Litvack to help get that done and that the organization would update its agency resume. Commissioner Nguyen stressed the importance of highlighting all of the work required in order to be able to apply for the MTW status.

7. CEO's REPORT

Housing Connect CEO Janice Kimball informed the Board of the following information:

- Emergency Housing Vouchers: Through the American Rescue Act, Housing Connect has been designated to receive 131 Emergency Housing Vouchers (and possibly more). Housing Connect is working with the Salt Lake Valley Coalition to End Homelessness to see about applying for additional vouchers. These vouchers include incentives to lease up quickly, as well as \$3,200 per voucher for barrier elimination, and will be effective as of July 1. She added that there are about 70 households already in the pipeline (with the earlier preference for homeless), which Housing Connect will start working with now (as this was paused due to the agency being overleased).

- COVID: She announced to the Board that Housing Connect is following CDC's and the County's guidance on masks. She informed the Board that she had sent out a notice to staff earlier that masks could be removed for those who have received the vaccination, and the agency is providing masks on-site for those at the properties who are not comfortable being around others without them.

- 2 first-year file audits: There were 2 first-year file audits performed – one for the 9% tax credit for The Hub; the other for the Denver Street Apartments. Utah Housing Corporation (UHC) gave clean audits for both properties.

- Updates to The Hub and New City Plaza: CEO Janice Kimball turned the time over to Housing Connect Real Estate Development Manager Troy Hart to update the Board on the status of closing The Hub of Opportunity and on New City Plaza. For The Hub, Housing Connect is in the process of closing out with the investors, with an anticipated closing in June. He mentioned operational costs and debt service coverage ratios having been a challenge. He noted some conditional use permit concerns related to parking (which seem to be resolved) and Land Use Restriction Agreement (LURA) issues. For the New City Plaza property, he brought up that the project will be issuing short-term bonds and talked briefly about the upcoming general contractor selection, which, he added, will need a special Housing Connect Board meeting to approve the awarding of the general contractor. Chair Jennifer Johnston thanked him for all of his work for the agency over the years and for his continuing work on The Hub and New City Plaza.

8. QUARTERLY REPORTS

There were no questions from the Board on the written quarterly reports (financial, operations, and services).

9. COMMISSIONERS' INPUT

Commissioner Gwen White reported that the Resident Advisory Board (RAB) met recently. Public Housing Director Lori Pacheco reviewed the ACOP updates, which the RAB voted to approve. The RAB will work on finalizing its budget at the next meeting (July 14) and will also vote on a Treasurer (there are two candidates).

Commissioner Mark Johnston briefly discussed federal funding and mentioned that the Emergency Housing Vouchers are a really great opportunity for the agency. He is optimistic that this latest round of allocations will result in some progress with the homelessness issue.

Commissioner Erin Litvack said that the U.S. Dept. of Treasury has been somewhat slow in rolling out guidance on utilization of federal funding but that housing was identified as a top priority at the Mayor's office retreat for using those funds.

Commissioner Chris Nguyen mentioned that those who had been placed in nursing/care facilities due to COVID who had stayed for extended periods are now being asked to leave and are looking for affordable housing, and she is thrilled to hear about potentially extra funds which can hopefully be used for housing.

Commissioner Phil Bernal reminded the Board that the ways that Housing Connect operates will be changing within the next 3-5 years quite rapidly, especially because of Moving To Work.

10. OTHER

The Board decided to hold its June 2021 meeting in person at The Hub.

ADJOURN

Chair Jennifer Johnston adjourned the meeting at 1:22p.

Respectfully submitted,

Dan Pincock
Executive Administrator