



## HOUSING CONNECT

### MINUTES OF THE JULY 2021 MEETING OF THE BOARD OF COMMISSIONERS

July 21, 2021

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**PRESENT:**

Jennifer Johnston – Chair  
Phil Bernal – Commissioner (audio)  
Mark Johnston – Commissioner (video)  
Erin Litvack – Commissioner (video)  
Christine Nguyen – Commissioner  
Gwen White – Commissioner

**STAFF PRESENT:**

Janice Kimball – Chief Executive Officer  
Mike Kienast – Chief Operating Officer  
Jarin Blackham – Information Technology Director  
Dan Pincock – Executive Administrator (video)

**EXCUSED:**

Spencer Moffat – Vice Chair

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**COMMENCE**

The July 2021 Housing Connect Board of Commissioners Meeting commenced on Wednesday, July 21, at 11:40 a.m. with Board Chair Jennifer Johnston welcoming all who were participating. Commissioner Bernal joined via audio, and Commissioners Mark Johnston and Litvack participated via Zoom video link, as did Dan Pincock (Housing Connect Executive Administrator).

**1. PUBLIC COMMENT**

There were no members of the public in attendance.

**2. CONSENT AGENDA**

Chair Jennifer Johnston asked whether there were any comments or changes to the three sets of minutes in the Consent Agenda. A comment was made about the minutes for the Special Board Meeting (which was held on Monday, June 7, 2021). It was agreed that the minutes for that meeting would be amended slightly (to remove certain specific details of the general contractor bid). With that change, Commissioner Nguyen motioned to approve the Consent Agenda (which consisted of the three sets of prior Board meeting minutes, the staff training report, the Hunter Hollow activity report, and recent staff changes). Commissioner White seconded the motion with all Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voting to approve the motion. The Consent Agenda items were approved.

**3. EXECUTIVE SESSION**

At 11:44 a.m., Commissioner Nguyen motioned for the Board to enter Executive Session to discuss real estate matters, and Commissioner White seconded the motion. All Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voted affirmatively, and the Board entered Executive Session.

At 11:56 a.m., Commissioner Litvack motioned to return to regular (open) session, and Commissioner Nguyen seconded the motion with all Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voting in favor. The Board, then, returned to regular session and went over the items in the Action Items list.

#### 4. ACTION ITEMS

**Resolution #1039: Development Partner for the 4500 South property** – Housing Connect Chief Executive Officer (CEO) Janice Kimball informed the Board that the agency had gone through the procurement process for the development partner for the 4500 South property and had received bids from three companies, with Chelsea Investment Corporation (“Chelsea”) scoring the highest, and Housing Connect recommended the selection of Chelsea as the development partner. Chelsea has asked Housing Connect to consider splitting the development fee or allowing Chelsea to put up guarantees in exchange for an ownership interest. The decision on the consideration request from Chelsea can be made at later, and CEO Janice Kimball offered to get more information for the Board. The Board expressed some hesitation on joint ownership. Commissioner Litvack motioned to approve the selection of Chelsea as the development partner for the 4500 South property project, as indicated in Resolution #1039, and Commissioner White seconded the motion with all Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voting in favor of the selection. Resolution #1039 was approved by the Board.

**Resolution #1040: Write-off collection losses** – CEO Janice Kimball asked the Board to approve just under \$80,000 in write-off losses for the Public Housing (\$15,541.47) and Housing Choice Voucher (HCV) (\$64,211.00) programs for the 6-month period ending June 30, 2021. Chair Jennifer Johnston remarked that it would be helpful if there were a more detailed explanation at the next 6-month review for the more significant write offs.

Commissioner Litvack asked whether this was a typical 6-month write off, and CEO Janice Kimball responded that Public Housing was trending normally, and that Section 8, with the exception of one large amount, was also trending normally.

Commissioner Mark Johnston asked for clarification on whether individuals are responsible in the future for paying off the debt owed. CEO Janice Kimball said that per HUD regulations those individuals are accountable to pay the debt back if they need to access Public Housing or Section 8 in the future.

Commissioner Nguyen motioned to approve Resolution #1040 for the write-off of \$79,752.47, and Commissioner White seconded the motion. All Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voted in favor, and Resolution #1040 was approved.

**Utility changes** – Chair Jennifer Johnston said that the utility changes did not require any action and that the information was being presented for the Board’s information.

**Villa Charmant calendar-year audit report** – Chair Jennifer Johnston noted that the Villa Charmant calendar-year audit report was a clean audit and that it had no findings. Commissioner Litvack motioned to accept the Villa Charmant calendar-year audit report, and Commissioner Mark Johnston seconded the motion, with all Board members present (Chair Jennifer Johnston, Commissioners Bernal, Mark Johnston, Litvack, Nguyen, and White) voting affirmatively. The audit report was accepted.

**Approval of Request for Proposals (RFP) for Project-Based Vouchers** – CEO Janice Kimball said that the agency received two bids for the project-based vouchers. One of the bids came from The Road Home, requesting 50 to 100 vouchers to convert a hotel to permanent supportive housing (PSH), but the bid did not indicate a specific site, and so it did not meet the threshold of what was being asked for in the RFP. The Road Home indicated in its cover letter its intent to do more permanent supportive housing, and, going forward, it was planning to ask for 200 vouchers.

Another bid was received from The Foundation for Independence (Cerebral Palsy of Utah and the National Development Council), asking for 24 vouchers for a site in West Jordan, but there was some concern that the project would not meet the threshold of the definition of permanent supportive housing. If there is an ownership interest involved for Housing Connect, all tax credit slots are presently full, and the only other way to do another application is if it meets the PSH definition.

In the end, since the RFP approval will be handled by the Board at a later date, CEO Janice Kimball sought the Board’s direction. Commissioner Nguyen felt this was worth exploring further.

#### 5. CEO’s REPORT

Housing Connect CEO Janice Kimball reported the following information:

**Real Estate Development Director** – One (out-of-town) candidate will visit the first week of August. There is also another candidate who Housing Connect will continue talking to.

**The Hub of Opportunity** – The agency is working through a couple of challenges with closing its permanent financing. Housing Connect

received another extension on its construction loan. The audits are in, and the taxes are straightened out, and right now Housing Connect is working on Rocky Mountain CRC's comfort with the conditional use permit language. RMCRC has approved the loan, and the loan documents are with Goldman Sachs and the Richman Group for their final review, and Housing Connect is hopeful to be able to close soon.

Cash flow for the project has been challenging, particularly with the 9% tax credits. There are a couple of things in the budget that make it really difficult. One is the property taxes. Because of the LLC (limited liability corporation) structure of the condos, the agency must pay property taxes (which it didn't expect to do due to its non-profit status). Another budget issue is that Goldman Sachs has required a really large insurance coverage of \$10 million. The agency has made the debt coverage ratio (DCR) for May and believes it has also made it for June. It will soon know about July, and three months of DCR coverage will qualify Housing Connect to bring up the developers fee. For the conditional use permit, the 9% portion is paying for the 4% area's parking, which is another challenge.

**Sunset Gardens** – Earlier, Housing Connect sent a letter to the Utah Housing Corporation (UHC) (Claudia O'Grady) explaining that it was not going to be able to meet its placed-in-service date, and there was a developer who turned in 21 credits, and UHC has offered to exchange the 21 credits, which Housing Connect has accepted. The agency is, therefore, continuing to move forward with its plans for Sunset Gardens. Housing Connect is waiting for HUD to approve the disposition and tenant relocation application.

**Community tours** – Housing Connect has done some community tours with Wayne Niederhauser (the State Homeless Coordinator) and with Senator Anderegg. The goals of the tours were mostly to educate on permanent supportive housing and to make a request that Medicaid dollars be used more flexibly so that they can be used in a housing setting to provide services and case management. Commissioner Nguyen said that Medicaid has the State health departments request which includes a lot for housing support, and they're waiting to hear back.

**Moving To Work (MTW)** – Marni Timmerman has accepted the position as the Moving To Work Director, and she is getting up to speed with the job. Housing Connect is completing some of the initial HUD trainings.

**Paint Night Fundraiser** – The Paint Night Fundraiser will be held on Thursday, August 5. There are only three tickets left.

**Continuum of Care funding** – The YWCA has turned in some funding through the Continuum of Care (CoC), and Housing Connect applied for and will receive an additional \$38,733 to be used to support some of the case management positions under the CoC loan.

**Transfer of vouchers** – Housing Connect learned through a HUD call that West Valley Housing Authority is underleased, and with the Housing Connect's Section 8 being overleased and overspending, an arrangement has been worked out to transfer 25 vouchers to the West Valley Housing Authority, effective August 1.

**Emergency Housing Vouchers (EHV)** – The process with the community – getting the Memorandum of Understanding (MoU) and the referrals in place – has been very slow. The MoU was signed last week, and Housing Connect is hopeful to be able to start receiving referrals. The agency did start with the 28 vouchers from the homeless preference.

**Properties** – The Housing Connect portfolio is at 98% occupancy with a 28-day (average) turnaround.

**Awards** – Both Jeanette Hernandez (Affordable Housing Director) and Lori Pacheco (Public Housing Director) recently received awards from Mountain Plains NAHRO. Jeanette and her team were recognized with the Pandemic Perseverance Award (for leasing up two buildings during the pandemic), and Lori received the People's Choice Award, highlighting her career and her brave work.

**COVID** – Housing Connect is getting things back on track. The agency is in line to get the Section 8 inspections done by the end of the year. The agency has been working with the health department to do some vaccinations at Bud Bailey Apartments, Grace Mary Manor Apartments, the High Rise, and Kelly Benson. Housing Connect is grateful to the health department for its support. Most staff have received the vaccination.

## 6. COMMISSIONERS' INPUT

Commissioner White indicated that there were no updates from the Resident Advisory Board (RAB), but she noted that things are running the way they are supposed to and that there were no complaints. She said she is seeing more signs that things are getting back to normal (people gathering outside, etc.).

Commissioner Nguyen said that she will be holding training tomorrow (July 22) for new Department of Health staff in the department's waiver programs, and it's always helpful if staff can understand the types of housing that are available for the people they are serving, and so she's looking forward to doing that.

Commissioners Mark Johnston and Litvack had no input for the Board, and Commissioner Bernal had already logged out of the meeting.

**7. OTHER**

Chair Jennifer Johnston mentioned that she has asked CEO Janice Kimball to take a look at client concerns (related to the New City Plaza project) and try to address them now while the project is in the pre-construction phase.

**ADJOURN**

Commissioner Nguyen motioned to adjourn the meeting, and Commissioner White seconded the motion, and all Board members present (Chair Jennifer Johnston, Commissioners Mark Johnston, Litvack, Nguyen, and White) voted affirmatively, and the meeting was adjourned at 12:41 p.m.

Respectfully submitted,

Dan Pincock  
Executive Administrator