



HOUSING CONNECT

MINUTES OF THE JANUARY 2022 ELECTRONIC MEETING OF THE BOARD OF COMMISSIONERS

January 19, 2022

PRESENT (virtual):

Spencer Moffat – Chair
Phil Bernal – Vice Chair
Wendy Leonelli – Commissioner
Erin Litvack – Commissioner
Christine Nguyen – Commissioner
Gwen White – Commissioner

GUESTS:

Eric Novak (Praxis Consulting)

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Financial Officer
Zach Bale – Chief Program Officer
Mike Kienast – Chief Operating Officer
Kirk Moorhead – Real Estate Development Director
Troy Hart – Real Estate Development Consultant
Jarin Blackham – IT Director
Dan Pincock – Executive Administrator

COMMENCE

Chair Moffat started the Housing Connect January 2022 Board Meeting at 11:50 a.m.

1. GUESTS/PUBLIC COMMENT

There were no members from the general public participating. Eric Novak (Praxis Consulting) attended the meeting.

2. EXECUTIVE SESSION

At 11:51 a.m., Housing Connect Board Commissioner Nguyen motioned for the Board to enter Executive Session to discuss a real estate matter, and Commissioner White seconded the motion. All commissioners present (Chair Moffat and Commissioners Leonelli, Litvack, Nguyen, and White) voted in favor of the motion, and the Board entered Executive Session.

At 12:21 p.m., Housing Connect Board Commissioner Litvack motioned for the Board to leave Executive Session and re-enter open (regular) session, and Commissioner Nguyen seconded the motion. All commissioners present (Chair Moffat and Commissioners Leonelli, Litvack, Nguyen, and White) voted affirmatively, and the Board returned to regular session.

Commissioner Litvack motioned for Housing Connect and CEO Janice Kimball to pursue purchasing the interest in a preservation project, as discussed in the Executive Session, and Commissioner Nguyen seconded the motion with all Board members present (Chair Moffat and Commissioners Leonelli, Litvack, Nguyen, and White) voting in favor.

3. NEW CITY PLAZA STATUS REPORT

Consultant Eric Novak then left the meeting. There were no questions from the Board on the status of the project.

It was agreed that the vote on Resolution #1051 (for approval to authorize the disposition of certain public housing units located at New City Plaza) be postponed until the February 2022 Board meeting.

4. SUNSET GARDENS STATUS REPORT

Housing Connect Real Estate Development Director Kirk Moorhead informed the Board that the Sunset Gardens project is moving forward. Housing Connect submitted a funding request in the past week to the City of Midvale and will be submitting a funding request in the next two weeks to Salt Lake County for additional debt financing. The architect has completed 50% of construction documents, and Kier Construction is doing some additional cost estimations, as construction pricing is quite volatile.

Housing Connect completed a HUD environmental review process, which has been approved by HUD and posted by Salt Lake County. The project is looking to close by late Spring or early Summer.

CEO Janice Kimball remarked that once Housing Connect receives the formal response from the County, it will be able to submit the application to HUD to take the 24 units out of Public Housing through the Section 18 disposition, which will allow the agency to apply for 24 new vouchers. Housing Connect also has a professional tenant relocater to help with the tenants, and that process has started. The majority of those housed will stay within the RAD/Public Housing portfolio.

5. CONSENT AGENDA

The Consent Agenda consisted of the Grants Report, the Hunter Hollow Report, and the Staff Update. CEO Janice Kimball said that the agency has essentially closed out the Hunter Hollow project. The leasing team did a phenomenal job, as the equity partner asked that the tax credits be delivered three months early, which the leasing team did. There is some minor site work remaining.

Commissioner Nguyen motioned for the Board to accept the Consent Agenda, and Commissioner White seconded the motion. All commissioners present (Chair Moffat and Commissioners Leonelli, Litvack, Nguyen, and White) voted in favor of the motion, and the Consent Agenda was accepted.

6. ACTION ITEMS

The following items were voted on by the Board:

- December 2021 Board Meeting minutes: Commissioner Litvack motioned for the December 2021 Board Meeting minutes to be approved, and Commissioner Nguyen seconded the motion. All Board members present (Chair Moffat and Commissioners Leonelli, Litvack, Nguyen, and White) supported the motion, and the minutes were approved.

- Resolution #1050 (Approval of Public Housing and Section 8 write-offs for the 6-month period July 1, 2021 to December 31, 2021): CEO Janice Kimball remarked that both Public Housing and Section 8 were trending less write-off amounts than in the previous reporting period. Housing Connect has been holding units for the High Rise and Sunset Gardens tenants to have a place to move to, so fewer Public Housing units have been filled, which is one reason why Public Housing write-offs were less this time. She added that Section 8 did great for the last 6 months.

Commissioner Litvack then motioned to approve the write-offs, and Commissioner White seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Leonelli, Litvack, Nguyen, and White) voting in favor. The voting passed, and Resolution #1050 was approved.

- FY2021 Housing Connect Audit Report: It was pointed out that this action is for the approval of the formal (final) audit report. CFO Andre Bartlome reminded the Board that a draft audit report had been sent to them for the December 2021 meeting and that the presentation was made at that time by the auditors. He noted that there were minor changes that included a breakout of the component unit entities' financials from last month's draft. The Board did not have any questions.

Commissioner Litvack motioned for the Board to accept and approve the audit report, and Commissioner Nguyen seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voting affirmatively. The motion passed, and the audit report was accepted.

- Bank account signing: CEO Janice Kimball indicated that there is a recommendation from CFO Bartlome regarding Bank account signers. Traditionally, Board members (the Chair and Vice Chair) have acted as signers on the accounts but that CFO Bartlome is proposing that only the Board's Treasurer (the Housing Connect Chief Financial Officer) and the Secretary (the Housing Connect Chief Executive Officer) be responsible for signing on the accounts going forward. CFO Bartlome also added that larger housing authorities tend not to have Board members as signers. He also indicated that there are appropriate checks and balances in place.

Commissioner Nguyen motioned for acceptance of the proposal. Commissioner White seconded the motion, and all Board members

present (Chair Moffat, Vice Chair Bernal, and Commissioners Leonelli, Litvack, Nguyen, and White) voted in favor. The proposal was approved.

7. CEO's REPORT

Housing Connect CEO Janice Kimball reported on the following items:

- COVID: The agency has made efforts to promote vaccinations. 80% of staff are currently vaccinated. Housing Connect is experiencing an increase in staff being out (who have either been exposed or are out with the virus).

- Payment Protection Program (PPP): CEO Janice Kimball referenced CFO Bartlome's memo in the Board book regarding this issue. She said that Housing Connect was a recipient of the PPP and received \$1.4 million, and most of the HUD funds were returned in June 2020. Housing Connect did hold on to \$350,000 to support its entities that do not receive HUD funding. It was Housing Connect's understanding from the bank that this fit within the regulations but has since been informed that it does not and that agency was not eligible. As a result, the organization is returning the \$350,000 with a 1% fee. CFO Bartlome remarked that this was basically a \$350,000 loan for a year and half for 1%. The \$350,000 had been spent on COVID-related items. The repayment will come from the agency's unrestricted reserves.

- Office Space: CEO Kimball informed the Board that the administrative office is quite full and that there are two options on what the agency is looking at: 1) build on the existing parking lot; and 2) use part of a property near a Trax station.

Commissioner Bernal suggested perhaps two floors of offices and two floors of housing. CEO Kimball replied that the current property is not zoned appropriately for that but that management will vet the property. She also said that management would go back to the Board with a specific outline of what it anticipates the agency will need in terms of growth, what that office space would look like, what some of the costs will be, and how to pay for it.

In response to Commissioner Litvack's question on hybrid options, CEO Kimball said that management will be considering it, that the agency has kept many of the hybrid options in place since COVID, and that there will be further conversations about hybrid options for some functions. It was brought up that there could be a reduction in the space footprint (but more efficient) with a hybrid model.

- Staff turnover: CEO Kimball said that staff turnover is trending at just under 38%, with three primary areas of noticeable turnover: property management, maintenance, and case workers. She said that the agency is looking at shoring up some of the leadership to take into account the frontline positions and that COO Mike Kienast met with Public Housing Director Lori Pacheco, who has since withdrawn her retirement plans and will work for 3 more years, which will really help with the transition for the High Rise and Sunset Gardens and will relieve pressure on others. CEO Kimball remarked that Housing Connect will address some equity issues in leadership positions and that it is making some changes in the 3 main turnover areas. Some initial work has been made (moving some property managers around to help with burnout, adjusting salaries where appropriate if a staff member is taking on a bigger or more complicated property - likewise with maintenance staff). CPO Zach Bale and Supportive Services and Housing Director Russell Opatz (and his team) have been very proactive in how they are recruiting and retaining case workers. Further adjustments will be made. Anything that significantly changes the budget will be brought to the Board.

Commissioner Bernal cautioned that staff could be putting clients others in jeopardy if a staff member is unvaccinated and interacts with clients or the public. CEO Kimball replied that the agency has not required staff to be vaccinated, but it is requiring staff to wear masks outside of their own office, there are plastic guards in public areas, and front-facing staff are taking safeguards and scaling back accordingly to make sure that they are protecting themselves and the tenants. At one property in particular, when tenants test positive for COVID, the tenants are not following proper protocol. Offices and amenities are closed. Tenants at that site are seen by appointment, and the agency is taking a break on some maintenance work there until a downturn in the COVID numbers are seen. Emergency work orders will be completed.

- Management of units by Choice Property Solutions (CPS) brokerage: CEO Kimball was pleased to report to the Board that in January, Housing Connect assumed management of 175 units of housing owned by Valley Behavioral Health. Currently, CPS is overseeing 574 units. Some of the properties are partnerships where Housing Connect co-owns the property, while for others, CPS is just the property manager. She expressed her thanks to COO Mike Kienast and Affordable Housing Director Jeanette Hernandez and her team. Commissioner Nguyen said her concerns for some of the tenants who might not do well with a traditional landlord were reduced when she learned that Housing Connect would be doing the management at some of these properties and makes her feel positive about the community because she knows that the way Housing Connect does property management is unique.

- House of Hope project: Housing Connect has partnered with Salt Lake County's Division of Behavioral Health to help the House of Hope project purchase a building to use for residential treatment. Housing authorities can be very useful in helping communities further their mission, and this is one aspect where it worked well. CFO Zach Bale thanked Real Estate Development Director Kirk Moorhead and Construction and Vendor Management Director Greg Cantrell (and their staff) for their help with this.

8. COMMISSIONERS' INPUT

Commissioner Nguyen remarked at how involved Housing Connect is in various aspects of the community, and she offered her congratulations to staff and to CEO Kimball for her leadership. She said she attended the recent PHADA (Public Housing Authorities Directors Association) 2022 training for commissioners and that she learned a lot.

Commissioner White informed the Board that a Resident Advisory Board (RAB) meeting was held on Wednesday, January 12. Moving To Work Director Marni Timmerman presented the draft Housing Connect Public Housing Agency (PHA) Annual Plan, which will be submitted to HUD in April. Also, at the meeting, Russell Opatz proposed the use of RAB money to communicate with and update tenants (including COVID updates). Braidee Kolendrianos informed attendees that Utah NAHRO annual conference will be held April 20 – 22 in St. George. The next RAB meeting is scheduled for Wednesday, March 9.

Commissioner Litvack said that Salt Lake County is working with the County Council on additional American Rescue Plan Act (ARPA) requests (some are related to housing). She will update the Board as the process unfolds.

Vice Chair Bernal also attended the PHADA 2022 Commissioners Conference, which he said was very good. There were two sessions – one on finances and the other on LIHTC development – which he said were particularly good. He encouraged the commissioners to attend that conference in the future.

Commissioner Leonelli noted her agreement with the comments that had been made throughout the Board meeting.

9. OTHER

- CEO Janice Kimball reminded the Board that the next Board meeting (February 16) would take place as part of the Board rereat, which is anticipated to be held virtually. The agency just went through a procurement process and identified an MTW consultant who has worked with housing authorities across the country and who will participate and provide an overview at the retreat to the Board on how to approach approving MTW activities in the future.

- Additionally, the Mayor's office appointed a new Board member, Kat Johnson. Housing Connect is now waiting for the County Council to confirm the appointment. Ms. Johnson works for a national non-profit organization (Community Solutions) that focuses on homelessness. She works directly with the organization's board and will bring a lot of good expertise with her to the Housing Connect Board.

- Executive Administrator Dan Pincock briefly discussed the annual disclosure forms, which had already been sent to the Board members. A DocuSign version will be sent out shortly to those who need it.

- Chair Moffat expressed appreciation to the Board members for all that they do and thanked them for their unity.

ADJOURN

With no other items on the agenda, Commissioner Litvack motioned to adjourn the meeting, and Commissioner White seconded the motion, which passed with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Leonelli, Litvack, Nguyen, and White) voting affirmatively, and the meeting was adjourned at 1:12 p.m.

Respectfully submitted,

Dan Pincock
Executive Administrator