



HOUSING CONNECT

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

February 16, 2022

PRESENT (virtual):

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

GUESTS (virtual):

Julie DeLong – Pathway Associates
Kat Johnson – Community Solutions/new Board Commissioner

STAFF PRESENT (virtual):

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
Jeanette Hernandez – Affordable Housing Director
Lori Pacheco – Public Housing Director
Marni Timmerman – Moving To Work Director
Ilez Brady – Housing Choice Voucher/Section 8 Director
Jarin Blackham – IT Director
Dan Pincock – Executive Administrator

COMMENCE

The February 2022 Board meeting was held at the beginning of the annual Board retreat and started at 8:36 a.m. CEO Janice Kimball thanked those attending for their willingness to participate in the retreat. She reviewed the schedule, and since there were a couple of new people participating, each staff member attending and each Board member briefly introduced themselves.

1. GUESTS/PUBLIC COMMENT

There were two guests: the facilitator, Julie DeLong (from Pathway Associates) and a new Board member, Kat Johnson (from Community Solutions). There were, however, no members of the general public in attendance.

2. EXECUTIVE SESSION

There were no items for Executive Session discussion, and no Executive Session was held as part of this meeting.

3. CONSENT AGENDA

The following items were on the Consent Agenda, which the Board approved:

- the staff training report (from July 2021 to December 2021)
- new hires, changes in positions, and open staff listing

Commissioner Nguyen motioned to approve the Consent Agenda, and Commissioner White seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Leonelli, Litvack, Nguyen, and White) voted in favor, and the Consent Agenda was approved.

4. ACTION ITEMS

The Board voted on (and approved) the following action items:

- new Board member, Kat Johnson: Ms. Johnson's nomination by the Mayor's office was confirmed by the County Council on January 25. She is the Chief of Staff at Community Solutions, (a well-recognized national non-profit organization which works with communities and cities to create a lasting end to homelessness that leaves no one behind). Chair Moffat motioned to approve her as a new Board member (commissioner), and Commissioner White 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 Ms. Johnson was approved as the newest member of the Housing Connect Board of Commissioners.

- the Housing Connect Board Meeting minutes of January 19: The Board had no comments or questions about the January 2022 Housing Connect Board Meeting minutes. Commissioner Nguyen motioned to approve the minutes, and Commissioner Litvack seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in support of the motion, which passed, and the January 2022 Housing Connect Board Meeting minutes were approved.

- new Housing Connect Fund (HCF) Board member, Katrina Hagen: CEO Janice Kimball provided some background on the Housing Connect Fund (HCF) board appointment process. Proposed HCF Board members must be approved by the Housing Connect Board prior to becoming an HCF Board member. HCF Executive Director Zach Bale remarked that Ms. Hagen would be a great fit and will add great knowledge and expertise to the HCF Finance Committee. She comes from American Express and brings valuable experience in affordable housing lending. Commissioner Litvack motioned to approve Ms. Hagen's appointment to the HCF Board, and Commissioner White seconded the motion, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) supporting the motion. The motion passed, and Ms. Hagen became the newest member of the Housing Connect Fund Board of Trustees.

5. HOUSING CONNECT'S 2022-2023 DRAFT PUBLIC HOUSING AGENCY (PHA) PLAN

Housing Connect CEO Janice Kimball gave a quick background of the PHA Plan. She noted that as Housing Connect is now a Moving To Work agency, there will be some additions to the Plan, in terms of the MTW Supplement. In the future the PHA Annual Plan and MTW Supplement to the Annual Plan will likely be presented together. She reviewed the upcoming timeline for submission to HUD. Executive Administrator Dan Pincock pointed out the importance of the Board's vote of approval in the March meeting (according to the timeline shown), as a vote by the Board at its regularly scheduled April meeting (April 20) will be too late to submit the Plan to HUD (as it must be submitted at least 75 days prior to when the Plan takes effect, and this date would be April 17). Moving To Work Director Marni Timmerman said that a draft of the MTW Supplement will be given to the Board in the April meeting. She confirmed that this portion of the Plan can be approved separately. CEO Kimball added that once Housing Connect is well integrated into Moving To Work, it will be one planning process. This year the PHA Annual Plan and the MTW Supplement to the Annual Plan will be submitted in two documents. CFO Bartlome showed the agency revenue information (from the PHA Plan), and CEO Kimball pointed out that Housing Connect has \$50 million in revenue in the upcoming year. CFO Bartlome said that the majority of "Other Revenue" is developers fees for new construction, as well as miscellaneous items (such as interest earned). He also commented that usually it is possible to project developers fees for 1 or 2 years but not beyond that.

6. SIGNIFICANT AMENDMENT TO HOUSING CONNECT'S 2021-2022 PHA ANNUAL PLAN

CEO Janice Kimball informed the Board that the significant amendment to the PHA Plan which Housing Connect is presently operating under will change, as Housing Connect will become the sole owner of the New City Plaza (NCP). Given that the sole ownership of NCP was a recent decision, another version of the significant amendment will be taken to the Board in the future.

7. QUARTERLY REPORTS

- Financial: CFO Bartlome reported that owned properties are outperforming the budgeted amount by \$51,000, and the development fund has done well with developers fees for The Hub. Housing Connect anticipates receiving some fees for Hunter Hollow, New City Plaza, and Sunset Gardens in the near future. There has also been more Housing Choice Vouchers (HCV) admin funding received than spent.

He pointed out that the Central Office/Central Maintenance budget is a concern (with less maintenance staff able to charge the properties to do specialty work which provides revenue and with the expenses related to the main office lobby renovation). For Public Housing, there is a budget anomaly right now with the High Rise which will rectify itself when we are able to bill the Salt Lake City Housing Authority the correct amount.

Most of the entities are doing well, but Bodhi had an unexpected loss compared to budget, in part due to increased security expenses. Public Housing is doing well, but there has been some higher write-off of rents that the agency was not able to collect. Affordable Housing Director Hernandez stated that the agency has applied for ERAP (Emergency Rental Assistance Program) funding and is still waiting to hear back, as are some of the residents who applied. Additionally, there was a one-time accounting entry adjustment at The

Hub, having to do with a reclassification of interest expense on the construction loan.

Overall, Housing Connect is under the projected budget expectations but is still making a profit.

- Operations: COO Kienast went over the Operations activities with the Board. Housing Connect is working with HUD to resolve the HCV shortfall issue. The waiting lists for Section 8 and Public Housing continue to grow. The multi-housing portfolio as a whole has an average physical occupancy of 93.4%. This is considerably lower due to holding vacant units for tenant relocation. He reviewed the specific occupancies and turnaround time associated with each population.

The Section 8 waiting list is over 6,500, with a 4-5 year wait. There are over 5,000 people on the Public Housing waiting list.

Overall, Operations and properties are doing well. He praised the teams for having done an amazing job throughout the entire COVID pandemic. The agency added the Parkhill mobile home properties to the portfolio, and Housing Connect's third-party management entity, Choice Property Solutions, just added 175 new units (from Valley Behavioral Health) to manage. For Parkhill, he and Public Housing Director Pacheco are working on a two-year budget "look out" to see where the agency anticipates where things will be. He also mentioned that staff are really focused on taking care of the residents and getting work orders done, although there is still some catch-up due to COVID.

- Services: Chief Program Officer Bale touched on a few highlights. There was an increase in enrollments to the Family Self-Sufficiency (FSS) and the Families BOND programs. The Parents As Teachers (PAT) program (an in-home service) went virtual (due to COVID), and so that program's enrollment has been impacted, but that should change as COVID restrictions are eased.

For Supportive Housing, Continuum of Care (CoC) is trending over the number of units. However, it is right on target from a budget standpoint and CoC requirements. There are two sources of funding for the Homeless Assistance Rental Program (HARP), and he noted that the program is in a temporary lull in utilization, but there is some fungibility across the Salt Lake County Behavioral Health funding, which has been adjusted over to the State Hospital Diversion Program. The Refugee Employment Supportive Housing (RESH) program is very underutilized at the moment due to the past federal government pause on refugee resettlement, which caused the capacity numbers to be low and the restriction of funding.

8. NEW CITY PLAZA (NCP) STATUS REPORT

Housing Connect has the Letter of Agreement (LOA) with the Salt Lake City Housing Authority and is working on vetting the change of ownership. There were no immediate concerns noted with investors in a recent call or with Utah Housing Corporation UHC, and UHC does not see any major hurdles. The next step will be working with HUD. CEO Kimball thanked staff who had worked on this with her and the Board for its support.

9. COMMISSIONERS' INPUT/OTHER

Commissioners did not have any information to bring forward or an update to share. CEO Kimball informed the Board of a recent Bud Bailey Nation Equity Fund review which took place. She praised Affordable Housing Director Hernandez and her team for doing a fantastic job managing the properties and making sure Housing Connect is in compliance, and it was pointed out that the review was clean.

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 Johnson, Leonelli, Litvack, Nguyen, and White) voting affirmatively, and the meeting was adjourned at 9:36 a.m.

Respectfully submitted,

Dan Pincock
Executive Administrator