



## HOUSING CONNECT

### MINUTES OF THE OCTOBER 2022 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

October 19, 2022

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**PRESENT:**

Spencer Moffat – Chair  
Phil Bernal – Vice Chair (virtual)  
Kat Johnson – Commissioner (virtual)  
Wendy Leonelli – Commissioner (virtual)  
Erin Litvack – Commissioner (virtual)  
Christine Nguyen – Commissioner  
Gwen White – Commissioner (virtual)

**STAFF PRESENT:**

Janice Kimball – Chief Executive Officer  
Andre Bartlome – Chief Financial Officer  
Mike Kienast – Chief Operating Officer  
Kirk Moorhead – Real Estate Development Director  
Jarín Blackham – Information Technology Director  
Roy Dunmaus – Data Analyst  
Dan Pincock – Executive Administrator

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**COMMENCE**

The Housing Connect October 2022 Board of Commissioners Meeting was held in-person and virtually on Wednesday, October 19, 2022, and commenced at 11:41 a.m. Chair Spencer Moffat facilitated the meeting.

**1. GUESTS/PUBLIC COMMENT**

No one from the public attended the meeting.

**2. NEW CITY PLAZA PROJECT UPDATE**

Housing Connect Real Estate Development Director Kirk Moorhead announced to the Board that the construction for the New City Plaza (NCP) project is proceeding and is presently at 9% completion. Draw 3 has funded, and Draw 4 is in process. There are ongoing (weekly) meetings with the architect, owner, and contractor, as well as some change order meetings. He noted there are a lot of unforeseen issues regarding building codes from the time the building was originally constructed.

**3. SUNSET GARDENS PROJECT UPDATE**

Director Moorhead informed the Board that the project financing has not quite closed yet, and that there remain 3 outstanding items: utility easements, partnership operating agreement (right of first refusal), and payment of residual receipt to one of the lenders. Housing Connect has issued an early construction start because of the hard deadline of December 31, 2023, for the units to be completed. The building has been demolished, and excavation has started. The groundbreaking celebration will be held Thursday, October 20.

**4. GRANGER APARTMENTS PROJECT UPDATE**

Housing Connect did receive an allocation of 9% Low-Income Housing Tax Credits for the Granger Apartments. The apartments are a good candidate for re-development (demolishing and rebuilding), but this does not fit with zoning for West Valley City to allow this, and so Housing Connect will renovate the existing apartments through a Section 18 disposition, which moves public housing out of the Public Housing program. Thus allowing for long-term affordability and will target 30% AMI. Housing Connect CEO Janice Kimball remarked that the advantage in using Section 18 is the ability to get new Section 8 vouchers. She added that the agency will use the RAD process if it is unsuccessful in its Section 18 application.

Director Moorhead added that as part of the process, the property will need to go through an environmental review to ensure that it doesn't have a negative impact on the environment. The agency has engaged with a consultant to perform a Physical Needs Assessment (PNA). This is an obsolescence test for HUD to determine whether the property needs this capital infusion put into it, and this should be available at the end of the month. EJ Architecture has been hired to do the design for the project, and the agency is currently working on a Request for Proposals (RFP) for equity investors and private (construction and long-term) lenders.

As for loan terms, Director Moorhead said he would let the Board know more about that next month and that the length of terms for the construction lender would be about 14 months, while for the long-term lender, it would be at least a 15-year loan. From an equity standpoint, Director Moorhead says that he takes into consideration not just cents on the dollar, but also fees and reserves, as well as the track record of the investor (since this will be a long-term relationship).

Housing Connect Chief Operating Officer Mike Kienast said that the organization received some great suggestions for the naming of the property and that the new name for the property will be East 72. Director Moorhead added that it is a really great place for families with a lot of children, as there are many 4-bedroom apartments and a lot of green space for children to play.

## **5. EXECUTIVE SESSION**

At 11:57 a.m., Commissioner Nguyen motioned for the Board to enter Executive Session to discuss a real estate matter. Commissioner Leonelli seconded the motion, and all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in support, and the Board entered Executive Session.

At 12:24 p.m., Commissioner Litvack made a motion for the Board to return to regular (open) session, with Commissioner Johnson seconding the motion. All Board members (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted favorably, and the Board returned to regular session.

## **6. ACTION ITEMS**

There was only one action item for the meeting: the Housing Connect Board Meeting minutes for the September 2022 Board meeting. There were no comments or questions regarding the minutes. Commissioner Litvack motioned to approve the minutes and Commissioner Nguyen seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) supported the motion, and the September 2022 Board Meeting minutes were approved.

## **7. DASHBOARD DEMONSTRATION**

Housing Connect IT Director Jarin Blackham gave a quick background on the creation and purpose of the dashboard and turned the time over to Housing Connect Data Analyst Roy Dunmaus, who introduced the dashboard and explained that it is a monthly operations report which will give a count of the occupancy rate for all of the units, as well as delinquency amounts (payments owed to Housing Connect which have not been collected) and "unpaid" (amounts owed to other housing authorities). The dashboard is designed to be an "at-a-glance" operations tool. The agency is at an early point in the dashboard, and there has been a lot of data to clean up. COO Mike Kienast said that this is another tool for property managers to have access to information to.

IT Director Blackham added that the first project that Roy worked on was a demographics dashboard, and that this project covers units, and the agency hopes to do a voucher project to get an accurate idea where the agency is with vouchers, to identify how long it takes to get someone through the voucher process and to determine where some of the lags are and decrease the amount of time to get a voucher.

## **8. FINANCIAL REPORT**

CFO Andre Bartlome provided the financial report to the Board. For the first two months of the fiscal year, there is a net income of \$191,000 (budgeted to make \$103,000). Public Housing has performed better than budgeted by \$50,000, but Central Office/Maintenance is a concern (losing \$200,000, against a budgeted loss of \$67,000). The Hub and Hunter Hollow developers fees will be added when received and will then be above projected amounts. Owned units are making \$45,000 (budgeted to make \$16,000), and Covewood is right on track. Supportive programs are \$50,000 above budget, and Housing Choice Voucher is doing well on both the admin side and the payment side.

Other entities: Affordable Housing Associates (AHA) has been doing well for the last several years. Housing Opportunities, Inc. (HOI) is at break-even. Choice Property Solutions (CPS) is showing a \$13,000 profit for this year. Housing Connect Fund (HCF) is also breaking even. There is good news everywhere for the Low-Income Housing Tax Credit (LIHTC) properties. All properties are doing better than budgeted, except for Bodhi (which is about \$30,000 worse than budgeted). Bud Bailey is still making more cash flow than budgeted. Housing Connect continues to work through the understaffing issues at the properties.

The agency continues to do well with its reserves, and unrestricted reserves are just under \$5 million. Housing Connect has not had a need to use the line of credit but still plans to have that set up.

#### **9. COMMISSIONERS' INPUT**

Commissioner White said that there was no Resident Advisory Board (RAB) meeting in October. She said that things are good at Kelly Benson.

Commissioner Litvack informed the Board that Mayor Wilson will present the Salt Lake County 2023 budget the following Tuesday (October 25).

Commissioner Johnson followed up on the refugee housing voucher program. Chief Program Officer Zach Bale said that the eligibility for the program is strict and can't be changed much more than already modified. He said that Housing Connect continues to work to ensure that eligible households are informed of the program by working with refugee relocation agencies, and their case managers, to generate referrals to the Housing Connect. Zach commented that he agreed with CEO Janice Kimball's suggestion that it may be good to have the refugee services office write a letter to the Board about the current status.

Vice Chair Bernal said that Utah NAHRO is working on the sessions for next year's regional conference and said that the dashboard presentation may be something which could be presented at one of the sessions of the conference. He recommended that CEO Janice Kimball reach out and talk to staff.

Commissioner Leonelli said that Salt Lake City has about \$6 million in available permanent supportive housing debt/subordinate debt funding.

Commissioner Nguyen expressed her enthusiasm for the upcoming Sunset Gardens groundbreaking event.

CPO Bale said that the Housing Connect Fund has a new chair and vice chair.

Chair Moffat remarked that the industry is seeing construction costs holding.

#### **ADJOURN**

At 12:54 p.m., Commissioner Nguyen motioned to adjourn the Board Meeting, and Commissioner White seconded the motion. The meeting was then adjourned without objection.

Respectfully submitted,

Dan Pincock  
Executive Administrator