



HOUSING CONNECT

MINUTES OF THE FEBRUARY 2023 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

March 15, 2023

PRESENT:

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

EXCUSED:

Wendy Leonelli – Commissioner (virtual)

GUESTS:**STAFF PRESENT:**

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Financial Officer
Mike Kienast – Chief Operating Officer
Kirk Moorhead – Real Estate Development Director
Lori Pacheco – Public Housing Director
Zach Bale – Chief Program Officer
Marni Timmerman – Moving To Work (MTW) Director
Kyle Zabriskie – IT Systems Administrator
Dan Pincock – Executive Administrator

COMMENCE

The March 2023 Housing Connect Board of Commissioners meeting was held at the Bud Bailey Apartments (Building C ground floor classroom) on Wednesday, March 15, 2023. It commenced at 12:05 p.m., and Housing Connect Board Chair Spencer Moffat welcomed all in attendance.

1. GUESTS/PUBLIC COMMENT

There were no guests or members of the public at the meeting.

2. CONSENT AGENDA

There were two items on the Consent Agenda: Staff updates (as noted in the Board book) and Resolution #1079 - Utah Nonprofits Association Statement of Ethics re-certification. There was a short discussion about the importance and awareness of the need for diversification amongst the Board and the leadership of Housing Connect. Commissioner Johnson motioned to approve the Consent Agenda, and Commissioner Nguyen provided the second with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, Nguyen, and White) voting in support, and the motion passed. The Consent Agenda was approved.

3. REAL ESTATE DEVELOPMENT UPDATES

Real Estate Development Director Kirk Moorhead provided the real estate development update.

New City Plaza (NCP) is moving along, and the renovated floors 2 through 11 have already been delivered, while floors 12 through 16 will be turned over to Housing Connect next week. Good progress has been made with getting payments sent out on time. Draw 8 has funded; Draw 9 is pending with HUD. Architect and contractor meetings are ongoing. Housing Connect is applying for additional funding of \$1.4 million from Salt Lake County (ARPA funds).

East 72 is proceeding nicely. The portion closest to the street is all framed up, while, currently, framing of the middle portion of the building is taking place. Draw 3 has already funded, and Draw 4 will fund as of today (March 15). Housing Connect is applying for \$1.7 million from

Salt Lake County to reduce the general partner loan. Director Moorhead, CEO Janice Kimball, and Principal Architect Elizabeth Johnson held a really good meeting with officials from Kier Construction (the general contractor).

The Section 18 disposition application for the Granger Apartments is still pending with the HUD SAC department. The design drawings are at the design development phase, which has been put out to bid. The goal is to get a general contractor on board prior to issuing of the construction documents, because Housing Connect would like the general contractor to be able to weigh in on the finalizing of the construction documents. The agency continues to work with Wells Fargo on due diligence items for the equity and bridge loans.

4. EXECUTIVE SESSION

No Executive Session was held.

5. ACTION ITEMS

Minutes: There were no questions or comments on the minutes from the February 15, 2023 Housing Connect Board Meeting. Commissioner White motioned to approve the minutes. Commissioner Johnson seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, Nguyen, and White) voted affirmatively. The motion passed, and the minutes were approved.

Public Housing lease changes/additions: Housing Connect Public Housing Director Lori Pacheco said that with the implementation of the Moving To Work (MTW) program, Housing Connect needed to update its lease agreement to include the MTW language. As a result, it had to break out the agreement into two separate leases - the Standard Rent Lease Agreement and the Stepped Rent Lease Agreement - to make sure all requirements were captured. Much of the standard rent lease focused around rent being calculated at 30% of income, and tenants must report any income within a certain period of time. All of that, however, is changing with MTW, as tenants will have the rent initially calculated but then the rent will be stepped from there. Re-certifications will be triennially instead of annually, and tenants will not have to report income (until the triennial re-certification). Both leases included the update that if the lease is terminated prior to the 12-month anniversary or is not renewed, the tenant can enter into a subsequent lease which will be honored on a month-to-month basis, as long as they are in good standing. There will be no lease signing at every re-certification. Should provisions to the lease change, Housing Connect will have residents sign the new terms.

Commissioner Nguyen commented that the leases are well done, clear, and much improved. She motioned to approve the Public Housing lease changes, and Commissioner White seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, Nguyen, and White) supported the motion. The motion passed, and the Public Housing lease changes were approved.

Resolution #1080 - Fiscal year-end change: Chief Financial Officer (CFO) Andre Bartlome reminded the Board that Housing Connect seeks to change its fiscal year-end. Instead of the 2023-2024 fiscal year ending on June 30, 2024, the next fiscal year will last 18 months - from July 1, 2023 to December 31, 2024; and, thereafter, the budget year will coincide with the calendar year. He said that the agency has contacted the software vendor to inform them of the change, and they are working through what needs to be done. Management also met with the benefits broker, and they talked about how the change will affect the next year. There will be some things which will have to be worked out (such as medical deductibles and out-of-pocket maximums). There could possibly be other things to work on, too. Housing Connect submitted a request regarding the fiscal year-end change to HUD, which asked for a resolution. Housing Connect is unsure when HUD will approve the request. CFO Bartlome also reminded the Board that a decision on how to handle staff raises will also need to be handled. He agreed to come up with a list of issues that will need to be worked through. In addition, he reminded the Board that the change will also affect all entities (not just Housing Connect), including the Housing Connect Fund, Housing Opportunities, Inc., and Affordable Housing Associates. Management does not feel the change will affect residents, but CEO Kimball said that Housing Connect needs to let the Resident Advisory Board (RAB) know, as this will affect the RAB's budget.

Commissioner Johnson motioned to approve Resolution #1080 (fiscal year-end change). Commissioner Litvack seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, Nguyen, and White) voting affirmatively. The motion passed, and Resolution #1080 (fiscal year-end change) was approved.

Resolution #1081 - Annual Public Housing Agency (PHA) Plan and MTW Supplement: CEO Janice Kimball reminded the Board that the Annual PHA Plan outlines the agency's needs and its resources and how it is going to prioritize them. Additionally, Housing Connect's MTW Supplement is included with outlined MTW activities that were focused on at the retreat.

Moving To Work Director Marni Timmerman informed the Board that a public hearing was held, and all comments were positive. She informed the hearing attendees that Housing Connect intends to operate an 18-month fiscal year (and it is also outlined in the Plan, which is available to the public). The MTW waivers that Housing Connect is submitting are really positive for residents, so there was no feedback, suggestions, or action that need to be brought to the Board's attention or acted upon.

Commissioner Nguyen offered her motion to approve the Annual PHA Plan and MTW Supplement, and Commissioner Johnson seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, Nguyen, and White) provided their support, and the motion passed. Resolution #1081 (the Annual PHA Plan and MTW Supplement) was approved.

6. DISCUSSION: PUBLIC HOUSING RE-POSITIONING PLAN

Housing Connect CEO Janice Kimball gave a brief background of the Plan, recapping the presentation at last month's Board meeting by Praxis. Housing Connect is proposing 3 recommendations. Commissioner Bernal asked about project-based vouchers and CEO Kimball responded that Housing Connect has the capacity to utilize that resource in the future under MTW. Commissioner Nguyen asked whether individuals would be affected. CEO Kimball indicated that they would have to fill out some paperwork. Tenants would have extra support through the transition consultant which the agency hired. No motion was needed, but the Board provided its support in moving forward with the recommendations. Commissioner Litvack commented that there have been efforts by the legislature in recent years to require low- to moderate-income housing by all of the municipalities, adding that if Housing Connect can gain access to the plans, it might be helpful to identify some areas to expand to the south and in finding partners.

7. MONTHLY FINANCIAL REPORT

Chief Financial Officer (CFO) Andre Bartlome informed the Board that the report was through the end of January 2023. He mentioned that the agency is showing a net loss due to spending down the HAP (Housing Assistance Payments) from the Housing Choice Voucher (HCV) program, resulting in a negative cash flow. Developers fees, supportive housing programs, public housing, and Covewood are all doing well. Areas of concern include Housing Choice Voucher (the way the funds are held by HUD), owned units and Central Office/Central Maintenance (the number of employees has decreased, and because of the decrease, the department hasn't had the capacity to fully charge the revenue that has been budgeted). A lot of entities with negative cash flow is the result of starting the first month of the budget year, but this will continue to be monitored.

Reserves continue to look good. CEO Janice Kimball remarked that the agency is still learning how to obligate funds under MTW. MTW Director Marni Timmerman commented that HUD is working with MTW agencies on large reserves. Commissioner Johnson asked about the unrestricted funds and how that can be used. CEO Kimball said that it could be used in looking for a site in the County; rent assistance to serve lower-income households; PSH housing for homeless families; or to purchase a property similar to Covewood.

8. CEO'S REPORT

CEO Janice Kimball briefly reported on the following:

- Housing and homelessness had a good year at the Legislature. She followed the removal of taxes for Low-Income Housing Tax Credit (LIHTC) properties which are Permanent Support Housing (PSH). Any property which has been awarded tax credits and has a designation of PSH will not be subject to property taxes. She also said that there was an expansion of state tax credits (which act as a gap).
- HUD Emergency Housing Voucher (EHV) audit: The agency has not received the formal response yet, but it will provide it to the Board.
- Request for Proposals (RFP) for banking services: Housing Connect will be staying with Wells Fargo.
- Meeting with South Salt Lake Mayor Wood. CEO Janice Kimball and COO Mike Kienast met with Mayor Wood and had a good meeting. They discussed the agency's properties. The Mayor addressed some things which Housing Connect will be following up on.
- CEO Janice Kimball is working on the upcoming Utah/Regional NAHRO Conference (in April) to line up some sessions and some speakers. It is looking like it will be a really good conference.

9. COMMISSIONERS' INPUT

Commissioner Litvack said that the tax credits which are accessible quadrupled at the state level. She also said that the Housing Trust Fund submission deadline is today (March 15).

Commissioner Johnson asked if Housing Connect has looked at the financial fallout from the banking and finance crisis and was told by CFO Bartlome that the agency has its financial accounts at Wells Fargo in FDIC-insured accounts, and a lot of the reserve money is held in the Utah Public Treasurer's Investment Fund.

Commissioner Nguyen updated the Board on the Housing Services and Supports Program which is going well. She said more and more service providers are applying for the individuals they are serving. Officials will meet next week with each of the services providers who are actively engaged with individuals. They are curious what barriers there are – such as difficulty in getting set up for Medicaid billing. She says it will be a really great learning experience meeting with everyone.

Commissioner White said that MTW Director Timmerman already covered what happened at the Resident Advisory Board (RAB) meeting. Chair Moffat said that staff and leadership are doing a great job.

Vice Chair Bernal said that he and CEO Kimball will be in Washington, D.C. next week. He will meet in part with Rep. Chris Stewart, as Salt Lake County is applying for a grant/federal funding through Rep. Stewart's office for the Right Person In, Right Person Out project (part of the project ties in with PSH). He also said talked about the regional (Mountain Plans/Utah) NAHRO conference in St. George (in April). Both the CEO and the national present of NAHRO will be there. CEO Kimball added that Wayne Neiderhauser is going to attend and will present at one of the general sessions, as well as at one of the breakout sessions.

10. OTHER

There were no additional issues that were brought to the Board's attention.

ADJOURN

At 1:08 p.m., Chair Moffat adjourned the meeting without objection.

Respectfully submitted,

Dan Pincock
Executive Administrator