



## HOUSING CONNECT

### MINUTES OF THE MAY 2023 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

May 17, 2023

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**PRESENT:**

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

**EXCUSED:**

Spencer Moffat – Chair

**GUEST:**

Ralph Chamness – Deputy Counsel, Salt Lake County District Attorney's Office (virtual)

**STAFF PRESENT:**

Janice Kimball – Chief Executive Officer  
Andre Bartlome – Chief Financial Officer  
Mike Kienast – Chief Operating Officer  
Zach Bale – Chief Program Officer  
Kirk Moorhead – Real Estate Development Director  
Jarín Blackham – Information Technology Director  
Dan Pincock – Executive Administrator

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**COMMENCE**

The Housing Connect May 2023 Board of Commissioners Meeting was held in-person and virtually on Wednesday, May 17, 2023, and commenced at 11:37 a.m. Vice Chair Phil Bernal facilitated the meeting.

**1. GUESTS/PUBLIC COMMENT**

Ralph Chamness, Deputy Counsel for the Salt Lake County District Attorney's Office, attended the Board meeting as a guest.

**2. OPEN MEETING LAW TRAINING**

Mr. Chamness started off with a video produced by the Auditor's Office, which gave some foundational information regarding Open Meeting Law. The video covered the Open Meeting Law Act (OPMA) Purpose; Open and Public Meeting: Defined; Public Hearing; Electronic Meeting; Emergency Meeting; Closed Meeting; Notice Requirements; and Minutes and Recordings. After the video, he highlighted that, effective July 1, closed meetings can include fiduciary and commercial discussions. The other issues which can be discussed in a closed meeting are: a person's character, competence, or health; collective bargaining; litigation; certain real property transactions; security personnel, devices, or systems deployment; investigations of criminal misconduct; and private or protected information for the Utah Procurement Code. After his presentation, Mr. Chamness left the meeting (virtually).

**3. CONSENT AGENDA**

There was only one item for the Consent Agenda: staff changes (since the previous Board meeting). Commissioner Johnson motioned to accept the Consent Agenda, and Commissioner White seconded the motion, All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in support, and the Consent Agenda was approved.

#### **4. GENERAL BUDGET DISCUSSION**

Housing Connect Chief Financial Officer (CFO) Andre Bartlome presented information to the Board regarding the budget and mentioned that this was not a full budget exercise and that this presentation was focused on salary and benefits, changing revenues that the agency knows are changing, IT replacement, and a new calculation of budgets. He announced that Housing Connect has worked out with the software vendor to add 6 months to the current fiscal year, that this 18-month budget year will end December 31, 2023, and that HUD has officially been notified. Housing Connect was asking the Board to approve the benefits package to staff at this meeting.

He then summarized the benefits which were discussed in greater detail at the Finance Committee Meeting held on Friday, May 12, and thanked Vice Chair Bernal and Commissioners Johnson and White for their attendance. Medical, dental, and vision providers were bid out; term and life were not. Housing Connect is recommending to stay with PEHP as the primary medical provider. There is an 8.5% increase to the medical insurance, with Housing Connect covering 80% of the increase. He said that the agency does want to explore the self-insured option in the next 6 to 12 months. Commissioner Litvack asked about going with a high-deductible health plan, and CFO Bartlome said that Housing Connect has not considered going with only a high-deductible plan at this point. Housing Connect offers both a high-deductible and a lower deductible plan, which gives employees more options. Switching to only a high-deductible health savings account (HSA) plan could be a direction to consider in the future.

He talked about salaries. The (national) Consumer Price Index (CPI) is at 4.9%. Housing Connect benchmarked all positions to PayScale and found that 20 employees were below the PayScale 50 percentile. The agency is proposing an additional raise for those employees. CFO Bartlome presented data for: raises – calculated (based on various percentages); net raise calculation (salary increase plus health care insurance increase); number of employees by salary range; and PayScale Wage Increases.

Commissioner Nguyen inquired whether 5% was enough to deter employees from leaving. Chief Operating Officer Mike Kienast said that 5% is a good COLA (Cost of Living Allowance) increase and keeps Housing Connect competitive. Vice Chair Bernal encouraged staff and management to track and monitor industry standards. It was brought up that Human Resources (HR) looks at PayScale when posting open positions, and he said that this should be done before HR posts job openings.

CFO Bartlome said that Housing Connect will give a raise effective July 1 and plans to do another, smaller raise based on 6 months of the Consumer Price Index for January 1. Housing Connect Chief Executive Officer (CEO) Janice Kimball thanked CFO Bartlome and his team for their work on the budget and salaries.

#### **5. REAL ESTATE DEVELOPMENT UPDATE**

Housing Connect Real Estate Development Director Kirk Moorhead provided the real estate development update as follows:

- New City Plaza (NCP): Renovation work continues to move forward. The first half of Building A is done. A new stack (with 14 units) was made available on May 15, and residents from the old City Plaza building moved into the units in that new stack. The handicapped-accessible apartments have been converted, but not in a consistent manner, and the priority was moving those in handicapped-accessible units that don't need such features, to help facilitate selective, investigative demolition. Building C construction (excavating) has begun. He noted that there is a significant code issue (mechanical equipment) with the City and that Housing Connect has met with City officials. Director Moorhead emphasized and assured the Board that the safety of the residents is paramount. Draw 10 has funded; Draw 11 has been submitted. Housing Connect has received \$1.4 million in commitments from HUD in ARPA funding through Salt Lake County's Housing Trust Fund.

- East 72: Construction is proceeding. Sheet rock work is being done, as is finishing up of the wiring. Draw 6 (post-closing) has funded. Housing Connect received an additional ARPA funding commitment from the Salt Lake County Trust Fund of \$1.7 million. CEO Janice Kimball expressed that the agency is very grateful to have received this money from the County. Director Moorhead said that construction is about 43% complete. There will be an equity installment draw next month when construction is at 50% completion.

- Granger Apartments: The Section 18 disposition application is still pending with HUD. Shaw Construction has been selected as the general contractor. Housing Connect is working with Wells Fargo to meet the due diligence requirements. The contractor is doing some investigative work. There are utility concerns, including some plumbing issues and how to resolve them without having to displace or relocate tenants (this is what is holding up the Section 18 application with HUD).

Commissioner Nguyen inquired about concerns over flooding, and COO Mike Kienast replied that the agency has concerns but that it has sandbags and has bought pumps. He also pointed out that none of the properties are in the flood zone.

#### **6. EXECUTIVE SESSION**

At 12:35 p.m., Commissioner Nguyen motioned for the Board to enter Executive Session to discuss a real estate matter. Commissioner

White seconded the motion, and all Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in support, and the Board entered Executive Session.

At 1:05 p.m., Commissioner Litvack made a motion for the Board to return to regular (open) session, with Commissioner Nguyen seconding the motion. All Board members (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted favorably, and the Board returned to regular session.

## **7. ACTION ITEMS**

The following two items were voted on by the Board as part of the Action Items:

- the Housing Connect Board Meeting minutes for the April 2023 Board meeting. There were no comments or questions regarding the minutes. Commissioner Litvack motioned to approve the minutes and Commissioner Johnson seconded the motion. All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) supported the motion, and the April 2023 Board Meeting minutes were approved.
- the benefits package for staff (as explained earlier by CFO Bartlome): Commissioner Nguyen motioned for the Board to approve the benefits package to staff. Commissioner White seconded the motion, and all Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted affirmatively, and the benefits package was approved.

## **7. CEO's REPORT**

Housing Connect CEO Janice Kimball gave her report to the Board, and mentioned the following items:

- Enrolling families in the Moving To Work Rent Study: So far, there has been a 94-95% opt-in for the rent study.
- Moving To Work (MTW) notice: HUD issued a notice regarding regionalization for MTW. Housing authorities who are adjacent to an MTW-status housing authority can opt-in (being adjacent is a requirement). At the moment, Housing Connect does not see a benefit to go out and convince other housing authorities to join but will welcome any inquiries from adjacent PHAs. Vice Chair Bernal said that Housing Connect should address and re-consider this position in the future.
- Recent community outreach efforts: Housing Connect met with officials from South Jordan and Draper. Draper was helpful and identified some developers. The next meeting will take place with Riverton City officials. She is also hoping for a meeting with Salt Lake County Mayor Wilson.
- Participation on committees: CEO Kimball continues to set on the State affordability commission. She was volunteered to co-chair the data work group (with Dina Blaes).
- Federal debt ceiling/budget caps: If Congress and the President fail to increase the debt limit, it would result in Housing Connect being able to take care of day-to-day operations, but it wouldn't be able to pay landlords and would be devastating to Housing Connect's community and those in need of affordable housing. More concerning, however, is the House-proposed budget caps. Over time, the caps would drastically reduce those served. For example, in 2024, Housing Connect would serve over 300 less households on the Section 8 program. She will keep the Board posted.
- Long-term care of Frontier: Building structures are poor, and current zoning does not allow for redevelopment of multi-family housing. The agency has contacted Lily Gray to assist with working on a legal review of what the risks are and what the path forward would be. Housing Connect will meet with South Salt Lake to see if it is amenable to zoning changes. In addition, Housing Connect is working with Utah Housing Corporation (UHC) to see how it will go forward this this. There is some support from UHC for allowing Housing Connect to move the units to a better location and higher quality housing. Housing Connect would like to build a few more units at Grace Mary Manor. The sale of Frontier would pay off the debts on the Olene Walker and Salt Lake County loans.
- Section 8 waitlist re-opening: Both Housing Connect and the City housing authority will be re-opening the Housing Choice Voucher Section 8 wait list on June 1.

## **8. QUARTERLY REPORTS**

There were no questions on the quarterly reports. COO Mike Kienast informed the Board that 2023 Q1 was an improvement over 2022 Q4.

**9. COMMISSIONERS' INPUT**

Commissioner White told the Board about the May Resident Advisory Board (RAB) meeting, calling it "the best RAB meeting." She thanked Vice Chair Bernal and Commissioners Johnson and White for attending. Commissioner White said IT Director Jarin Blackham did an excellent job with his cybersecurity presentation and that he was "in tune" with the residents. She said that Chief Program Officer Zach Bale discussed the High Rise and explained everything so well. Commissioner White said that the RAB members are interested in knowing what the roles are of those Housing Connect staff who attend and make presentations at the meetings. Vice Chair Bernal remarked that one thing he took away from the meeting was how housing affects the tenants' lives and that sometimes we forget about the people who are benefitting from the work which Housing Connect does. CEO Kimball asked Commissioner White to convey her thanks and appreciation to Kathy for arranging the meeting facility look so nice.

Vice Chair Bernal reported on the regional NAHRO conference in St. George (April 26 -28). He felt the conference went well. CEO Kimball commented that there were approximately 120 attendees. She said that the attendance and sponsor goals were exceeded. Commissioner Nguyen remarked that the conference presentations seemed fresh and current, with a lot of participation.

Commissioner Litvack briefly mentioned the Salt Lake County Housing Trust Fund. There was \$25 million in expenditures, and every application request which qualified and met the criteria was fully funded.

**10. OTHER**

Monitoring reports: CEO Janice Kimball called brief attention to the Board of Housing Connect's monitoring reports, pointing out that the agency consistently does well in its audits.

**ADJOURN**

At 1:34 p.m., Commissioner Johnson motioned for the meeting to be adjourned. Commissioner Litvack seconded the motion, and all Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted affirmatively. The Board meeting was adjourned.

Respectfully submitted,

Dan Pincock  
Executive Administrator