



HOUSING CONNECT

MINUTES OF THE JULY 2023 (VIRTUAL) REGULAR MEETING OF THE BOARD OF COMMISSIONERS

July 19, 2023

PRESENT:

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

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Financial Officer
Mike Kienast – Chief Operating Officer
Zach Bale – Chief Programs Officer
Marni Timmerman – Chief Administrative Officer
Kirk Moorhead – Real Estate Development Director
Jarin Blackham – Information Technology Director
Lori Pacheco – Public Housing Director
Dan Pincock – Executive Administrator

COMMENCE

The Housing Connect July 2023 Board of Commissioners Meeting was held virtually on Wednesday, July 19, 2023, and commenced at 11:33 a.m. Chair Spencer Moffat facilitated the meeting.

1. GUESTS/PUBLIC COMMENT

It was acknowledged that there were no members of the public or any guests present at the meeting.

2. ACTION ITEMS

June 2023 Housing Connect Board Meeting minutes: There were no comments or questions regarding the minutes. Commissioner White motioned to approve the minutes and Commissioner Johnson seconded the motion. All Board members present (Chair Moffat, and Commissioners Johnson, Leonelli, Nguyen, and White) supported the motion, and the June 2023 Board Meeting minutes were approved.

Resolution #1084 (Salt Lake City property purchase): CEO Janice Kimball announced to the Board that Housing Connect has an opportunity to purchase a property in Salt Lake City (at 44 North 1000 West – near the Bodhi Apartments) which allows for 60 units of Permanent Supportive Housing (PSH). She noted that earnest money for the purchase of the property has been paid. The agency needs approval from the Salt Lake City government as well as the Housing Authority of Salt Lake City to be able to develop in their jurisdiction. Housing Connect has received verbal confirmation from both. TCM Development Services (TCM) will act as the developer. First Step House would be 51% owner, while Housing Connect would own 49%.

Real Estate Development Director Kirk Moorhead remarked that the population being served would be formerly homeless, single adults who are 55 years of age or older. CEO Kimball explained that Housing Connect is bringing to the project property management, and First Step House will be adding services. Director Moorhead further remarked that the agency anticipates applying for Low-Income Housing Tax Credits (LIHTC) in September. He also mentioned that Housing Connect has applied for some State homeless funding. CEO Kimball explained that the agency will use reserves from the sale of Public Housing to purchase the property.

Commissioner Nguyen motioned to approve Resolution #1084 for the property purchase in Salt Lake City, and Commissioner White seconded the motion. Commissioner Leonelli recused herself from the vote due to a previous work relationship with one of the members

of the developer team. Chair Moffat and Commissioners Johnson, Litvack, Nguyen, and White voted in favor of the motion, which passed. Resolution #1084 (for the purchase of property located in Salt Lake City) was approved.

Resolution #1085 (Kearns property purchase): Housing Connect has a purchase agreement to purchase a property in Kearns, which is adjacent to Housing Connect's family property (Kearns Mountain View). This property purchase will allow the agency to increase the number of units in that location by 45. It is appropriately zoned for multi-family housing. The property is 3 acres of land, and there is a day care center on it now. For future consideration, day care is an option which is allowed by the zoning. CEO Kimball said that Housing Connect will use its general, unrestricted reserves to purchase the property.

Commissioner Litvack motioned to approve Resolution #1085 for the property purchase in Kearns, and Commissioner White seconded the motion. All Board members present (Chair Moffat, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in favor of the motion, which passed. Resolution #1085 (for the purchase of property located in Kearns) was approved.

Resolution #1086 (Public Housing and Section 8 write-offs): The write-offs for Public Housing and Section 8 for the period of January 1, 2023 through June 30, 2023 were presented. CEO Kimball pointed out that the Public Housing figures will continue to go down, as Housing Connect transitions units out of Public Housing. Section 8 numbers are consistent.

Commissioner Litvack motioned to approve Resolution #1086 for the write-offs, and Commissioner Nguyen seconded the motion. All Board members present (Chair Moffat, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted in favor of the motion, which passed. Resolution #1086 (for the Public Housing and the Section 8 write-offs for the period January 1, 2023 through June 30, 2023) was approved.

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): Construction on Phase II (the second half of Building A) is proceeding, as is construction of Building C. Some significant issues (air conditioning/construction-related) are being experienced with Building A, although it has been fixed for now and is being monitored. Construction is 33% completed. The polluted groundwater has been tested, and it's a non-issue. There are problems to a fire-alarm system. The fire alarm monitoring system was determined to be inoperable (with lots of errors). As a result, the Fire Marshall has directed a "fire watch" requiring staff to walk the building every hour, 24/7.

- East 72: Construction at East 72 is proceeding. An owner's representative from Chelsea was brought out. It was determined that an additional owner's representative who is local was needed. Housing Connect, then, hired someone who is a former architect with a lot of construction administration experience to serve in the role as a local owner's representative. This person is on-site every day for about 5 hours per day. The whole purpose of this hiring is because Housing Connect has some concerns about quality control at the site. Construction is at 64%, and contingency use is about 1/3 (and it will be a little over half, once the change order proposals are processed).

- Granger Apartments: The Section 18 disposition application is still pending at HUD. It is presently over at the Special Applications Center (SAC) office. Construction documents are complete and have been put out to bid. They have also been submitted to West Valley City for plan review. Shaw Construction was selected (among 4 bids which were sent out) as the general contractor. Housing Connect is working with Wells Fargo to complete the due diligence requirements. Housing Connect intends to take some borrowing/omnibus resolutions to both the Housing Connect and the HOI boards in August and hopefully get the deal closed by early September.

6. CLOSED MEETING

At 11:56 a.m., Commissioner Leonelli motioned for the Board to enter Closed Meeting to discuss real estate and potential litigation issues. Commissioner White 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 Closed Meeting.

At 12:32 p.m., Commissioner Litvack made a motion for the Board to return to regular (open) session, with Commissioner White 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.

ADJOURN

At 12:33 p.m., Commissioner Nguyen made a motion for the Board to adjourn, with Commissioner White seconding the motion. All Board members (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted favorably, and the Board meeting was adjourned.

Respectfully submitted,

Dan Pincock
Executive Administrator