



## HOUSING CONNECT

### MINUTES OF THE MAY 15, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

May 15, 2024

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**PRESENT:**

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

**EXCUSED:**

Kat Johnson – Commissioner

**GUESTS/PUBLIC:**

Mark Gaylord (Ballard Spahr)  
Karl Westbrook (public)  
Stephanie Bourdeaux (Chair, Housing Opportunities, Inc.)  
Krist Kearl (Trustee, Housing Opportunities, Inc.)

**STAFF PRESENT:**

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

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**COMMENCE**

The May 2024 Housing Connect Board of Commissioners Meeting was held on Wednesday, May 15, 2024, and commenced at 11:37 a.m. Chair Spencer Moffat facilitated and led the meeting.

**1. GUESTS/PUBLIC COMMENT**

Mark Gaylord from Ballard Spahr attended the meeting and spoke to the Board during the Closed Meeting portion.

Karl Westbrook attended as a member of the public but provided no comments for the meeting.

**2. CLOSED MEETING**

At 11:39 a.m., Commissioner White motioned for the Board to enter Closed Meeting, and Vice Chair Bernal seconded the motion, and all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voted in support, and the Board entered Closed Meeting.

At 12:23 p.m., Commissioner Leonelli made a motion for the Board to exit closed session and to return to regular (open) session, with Commissioner White seconding the motion. All Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voted favorably, and the Board returned to regular session.

**3. ACTION ITEMS**

The following action items were voted on by the Board:

- Board Meeting minutes for the April 2024 Housing Connect Board Meeting: There were no comments or questions on the draft Board Meeting minutes. Commissioner Nguyen motioned to approve the minutes, and Commissioner White seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voting in support of the motion. The motion passed, and the minutes were approved.

- Resolution #1105 – New City Plaza (NCP) capital funds: Chief Executive Officer (CEO) Janice Kimball explained to the Board that the purpose of the resolution is to use some of the capital funds from Public Housing to close the construction funding gap at NCP. The resolution was sent over to legal for input and clearance.

Commissioner Leonelli made a motion for the Board to approve the resolution for capital funds from Public Housing to close the NCP construction funding gap, with Commissioner Nguyen seconding the motion. All Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voted favorably, and Resolution #1105 was approved.

- Resolution #1106 – Approval of Right of Way purchase by West Valley City at Valley Fair Village: In December 2023, Housing Connect received an appraisal and a notice from West Valley City to take a strip of 5 feet of land along Lancer Way to widen the road. Legal counsel advised that the de minimis application process could be avoided, and Housing Connect could go straight to HUD and get approval much quicker, as long as it had the declarations and the Board's approval to move forward. The appraisal seemed accurate, and Housing Connect has no future plans for that part of the property.

Vice Chair Bernal made a motion for the Board to approve the resolution for the right of way purchase by West Valley City at Valley Fair Village. Commissioner White offered a second to the motion, and all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voted in support, and Resolution #1106 was approved.

- Housing Connect Tax Credit entity audits: Chief Financial Officer (CFO) Andre Bartlome presented a summary of the financials for the two properties which are 100% owned by Housing Connect: Villa Charmant and Frontier. He indicated that the auditors for both entities is Smith Marion and that the auditors provided their unqualified opinions (clean audits) for the properties. For cash flow, he pointed out that Villa Charmant owes \$380,000 to Housing Connect and that for Frontier, Housing Connect has a balance due to the property of \$55,000.

Vice Chair Bernal motioned to approve the audits, and Commissioner Leonelli seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voting in support of the motion. The motion passed, and the audits for Villa Charmant and Frontier were approved.

- Benefits plans changes: Management has reviewed the bids for its medical insurance provider and is recommending going with Cigna. Their quote will be an 8.5% increase, as opposed to the current provider's increase of 25%. He explained the different plans with Cigna which Housing Connect will offer. The high-deductible health plan (HDHP) has two options, depending on which deductible amount employees would like to use, along with a more traditional plan. The idea with the HDHPs is for employee's to have more ownership in their health.

He briefly discussed HSAs (health savings accounts) under the new provider's HDHPs, as well as Housing Connect's contribution to each employee's HSA. Commissioner Leonelli emphasized the importance of training staff in regards to health care tips and using HSAs as an investment tool, adding that it can be empowering for staff. CFO Bartlome said that the agency would receive \$10,000 for incentivizing staff's health.

The coverage would be similar, and the network would essentially be the same as Housing Connect's current provider (PEHP). He added that Cigna is a nationwide provider, whereas PEHP is more regional.

CFO Bartlome briefly discussed the challenge of switching to a January-to-December plan year and the costs of that. All 6 bidders indicated that for an 18-month plan, after the first 6-month period (through December), the deductibles would reset back to \$0. Housing Connect is looking into using an HRA (Health Reimbursement Account) through a third-party, but since the agency only found out about this recently, it still has some work to do and will need to report back to the Board on this matter later. For now, the approval by the Board will just be for the new medical insurance provider (Cigna). CFO Bartlome added that Housing Connect is planning to provide a lot of education to staff through various means (and not just at the upcoming benefits meeting), such as having a "health minute" during the monthly all-staff meetings. Commissioner Leonelli encouraged the sharing of this information to residents, as well.

As part of the changes in benefits, the Utah Retirement System (URS) has reduced the contribution rate for Tier 1 and Tier 2 DC employees by 1% and by 0.3% for Tier 2 Hybrid employees. This results in a savings to Housing Connect of \$78,000. However, staff in the Tier 2 Hybrid plan (93 of 121 eligible staff are in this retirement program) will need to pay 0.7% of the contribution. Housing Connect has decided to offset this charge to staff by including a 0.7% 401k match. This will be a cost to the agency of \$39,000.

If approved by the Board, the changes discussed will be explained to the staff at the upcoming benefits meeting on Wednesday, May 29.

Commissioner Nguyen motioned to approve the changes to the benefits plans, 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 in support of the motion. The motion passed, and the changes to the benefits plans were approved.

#### **4. QUARTERLY REPORTS**

Supportive Housing and Services quarterly report: Housing Connect Chief Program Officer Zach Bale provided an update for Supportive Housing and Services. He gave three specific highlights:

- ESL Classes at Bud Bailey Apartments: Housing Connect identified a need and partnered with Millcreek Promise Partnership for child care support so that those interested in attending English as a Second Language (ESL) classes at the Bud Bailey Apartments by the English Skills Learning Center (ESLC) could do so, and their children would be looked after. A little over a year ago, child care was added, and the average attendance increased from 7 students to 16, and those in the Emergent Readers (higher level proficiency) category nearly tripled in number.

- Resource Fair at Bud Bailey Apartments: On April 18, a resource fair was held at Bud Bailey Apartments. The event was partnered with Millcreek City Promise, and residents connected with several different resources from community partners. Partner agencies included Planned Parenthood, NAMI, SLCo Health Dept, U of U School of Dentistry, IRC, SLCC, Granite Credit Union, Jewish Family Services, Refugee Soccer, SSL Stem, Olene Walker Elementary Family Engagement, Asian Association, Tech Charities, SpyHop, English Skills Learning Center, Big Brothers Big Sisters, and others. In addition, there were arts and crafts activities for the children, and grilled chicken sandwiches and sides were offered to all who attended.

- Potential project update: Housing Connect receives funds from the Salt Lake County Division of Behavioral Health Services (DBHS) for the placement of individuals (with persistent mental health and other issues) in boarding homes. Among the last remaining unlicensed facilities, one such property exists, and the County has asked Housing Connect to activate the money and grant funds to the owner in exchange for a renovated, licensable boarding home. The County would identify an operator (which would not be Housing Connect). Presently, Housing Connect is working with legal to come up with an agreement and then to connect with the County and eventually the owner to see whether the agreement is acceptable. The money would be passed to the owners for the work to be done in order to bring the property back on line (in about a year).

Operations quarterly report: Chief Asset Manager Mike Kienast pointed out the improvement in occupancy and long-day vacancies for Public Housing, RAD, and PBV properties in Q1 for 2024 (compared to Q1 2022 and 2023). He then showed the trend for the same data for the LIHTC properties, adding that there was really good revenue growth with 9%, and there was a 7% increase in operating expenses, resulting in a 14% increase in income. For owned properties, they were 94% occupied in the first quarter. Overall, the properties are performing well. He praised the team that he has and gave a shout out to Director of Property Management and Compliance Jeanette Hernandez for her presentation in a video which was shown at the First Step House fundraiser on May 9, "First Course for First Step House." He praised her for an amazing job. CEO Kimball said she would send around a link to the Board of the video.

#### **5. OTHER**

In the interest of time, the Board opted to forego the Real Estate Development Report and the Commissioners' Input. For the Monthly Financial Report, CEO Kimball said that CFO Bartlome would send around information regarding the interest from the reserves and how it is spread out across accounts.

#### **ADJOURN**

At 1:05 p.m., Commissioner Leonelli motioned to adjourn the May 2024 Housing Connect Board Meeting, and Commissioner White seconded the motion, with all other Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Leonelli, Litvack, Nguyen, and White) voting in support. The meeting was then adjourned.

Respectfully submitted,

Dan Pincock  
Executive Administrator