



HOUSING CONNECT

MINUTES OF THE OCTOBER 16, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

October 16, 2024

PRESENT:

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

EXCUSED:

Wendy Leonelli – Commissioner

GUESTS:

Chad Porter – CEO Smith Marion Auditor (virtual)
Nick Fritz – Housing Connect Fund Chair(virtual)
Karl Westbrook – public

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Mike Kienast – Chief Asset Officer
Marni Timmerman – Chief Operating Officer
Jarín Blackham – Information Technology Director
Ilez Brady – Housing Choice Voucher/Section 8 Director
Braidee Kolendrianos – Marketing Strategist (virtual)
Dan Pincock – Executive Administrator
Tom Biesinger – Comptroller
Kirk Moorhead – Real Estate Development Director

COMMENCE

The October 2024 Housing Connect Board of Commissioners Meeting was held on Wednesday, October 16, 2024, and commenced at 11:38 a.m. Chair Spencer Moffat facilitated the meeting. He asked for an introduction of all present at the meeting (in-person and online). After introductions, CEO Kimball stated that Chair Moffat had reached the end of his term as a Board member. She and the Board of Commissioners expressed their appreciation for his leadership and support. Chair Moffat stated that it was a wonderful opportunity and thanked everyone for letting him serve. Jamie Ramos was welcomed as a new commissioner representing the residents. She has served on the Housing Connect Fund Board, the Resident Advisory Board, and the Moving To Work Advisory Committee. Chair Moffat asked for a motion to approve Jamie Ramos as a Board member. Commissioner Nguyen made the motion and it was seconded by Vice Chair Bernal with all members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson and Litvack) voted in favor.

1. GUESTS/PUBLIC COMMENT

Chair Moffat recognized and welcomed Karl Westbrook (a member of the general public). Mr. Westbrook had no comments.

2. ACTION ITEMS and AUDIT

Tom Biesinger introduced Chad Porter from Smith Marion to go over the audit for Housing Connect covering an 18-month period from July 1, 2022-December 31, 2023. The longer time period was due to changing the fiscal year end. He highlighted a strong balance sheet and noted a decrease in cash due to significant investments in capital assets. Chad reviewed the closure of three Capital Fund programs. Chad mentioned that there is one finding that is caused by a change in HUD accounting rules involving the use of an inter-fund account to keep track of who owes who. Many housing authorities, including Housing Connect, have used a centralized cash account to pay different funds or activities. Going forward, the inter-fund will need to be closed out and accounts paid up annually. Many accounts have been in place for several years. Comptroller Biesinger has proposed a plan to address this finding and the auditor has also provided resources to help with this process. Chad stated that Housing Connect is required to disclose types of funding in financial statements. He mentioned that Housing

Connect's percentage of HUD funding is quite low compared to other housing authorities he has worked with. Motion was made by Vice Chair Bernal and Seconded by Commissioner Nguyen with all members present (Chair Moffat, Vice Chair Bernal, and Commissioners Litvack, Ramos, and Johnson) voting in favor of the motion.

- Housing Connect Board Minutes for the September 18, 2024 meeting. There were no changes or comments. Commissioner Litvack motioned to approve the minutes and Commissioner Johnson seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Ramos and Nguyen) voted in favor of the motion, and the September 2024 Board meeting minutes were approved.
- At 12:03 p.m., a motion was made to adjourn the Housing Connect Board meeting and to go into the Housing Connect Fund Board meeting by Commissioner Nguyen and seconded by Commissioner Litvack (Chair Moffat, Vice Chair Bernal, and Commissioners Ramos and Johnson) voted in favor of the motion, and the Housing Connect Board meeting adjourned to the Housing Connect Fund Board Meeting.
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At 12:15 p.m., Commissioner Nguyen motioned to re-open the Housing Connect Board Meeting. Vice Chair Bernal seconded the motion, and all Board members present (Chair Moffat, and Commissioners Johnson, Ramos, and Litvack) voted in favor of the motion, and the Board meeting was re-opened.

3. CLOSED MEETING

At 12:16 p.m., a motion to go into a closed meeting for the purpose of discussing real estate and possible litigation was made by Vice Chair Bernal and seconded by Commissioner Nguyen and all Board members present (Chair Moffat, and Commissioners Johnson, Ramos, and Litvack) voted in favor of the motion. Karl Westbrook left the meeting.

At 12:30 p.m., the motion was made by Vice Chair Bernal to return to the Open meeting and seconded by Commissioner Nguyen and all Board members present (Chair Moffat, and Commissioners Johnson, Ramos, and Litvack) voted in favor of the motion. Karl Westbrook returned to the meeting.

4. MONTHLY FINANCIAL REPORT

Housing Connect Comptroller Tom Biesinger presented the monthly financial report for the period ending August 31 and covered the various programs, as well as the reserves. The overall budget for Housing Connect is ahead of projections, with a significant variance in Public Housing due to use of the Capital Fund program. Central Office expenses were higher than projected, mainly due to capital expenditures. Fee for Service was slightly behind budget, while Development was under budget due to a timing issue. The reserves for Housing Connect were also discussed, showing an increase in unrestricted reserves and the conversation ended with a discussion on the projected use of funds to cover the additional construction costs at New City Plaza. Commissioner Johnson thanked Comptroller Biesinger for the presentation of the graphs and asked how the team was doing and how the search for the CFO was going. Comptroller Biesinger stated that the team is doing really well, and everyone has stepped up. Comptroller Biesinger mentioned that staff have been working on the budget and CEO Kimball stated that she would send out the budget approval timeline to the board members. CEO Kimball reported that in terms of the hiring process, they have interviewed four candidates and have narrowed it down to inviting a lead candidate to come in for a site visit on October 28th.

5. QUARTERLY REPORTS

Services and Supportive Housing: COO Timmerman started with a success story for a family in the Family Self-Sufficiency Program. This family completed the program after completing BS degree, reduced debt by \$18,000, improved their credit score, and the father has a full-time job. They received a \$67,000 escrow to be used towards home ownership. A quote from the family: "The FSS Program is more personal than any other welfare program, and we have been on a lot of welfare programs. This is the only welfare program I have been on that gives you hope."

The Supportive Housing Programs are doing well.

Property Management: CAO Kienast reported that everything is looking good on the operations side. New City Plaza continues to be a challenge to manage the construction and keeping the residents happy. Occupancy on the whole portfolio is at 97% and our long day vacancy has dropped down substantially from where it was a year ago. Vice Chair Bernal asked about owned units and CAO clarified there were units that were not tied to a specific funding program such as LIHTC or Public Housing. CEO Kimball reminded the board there is a chart that has a list of all the properties, type of property, location, and who they serve.

Section 8 Housing Choice Voucher Program: Director Brady stated the program is at 98% leased and that shortfall is projected to be \$4.3M. We have leased up the 50 new Family Unification Vouchers we received in February. We are really excited to receive 52 new Foster Youth to Independence Vouchers that will start in December. HQS inspections will change to the new National Standards for Physical Inspections

for Real Estate (NSPIRE) in February 2025. The NSPIRE system is the same one that is currently being used in Public Housing. Director Brady gave an overview of the waiting list. She stated the eligibility team has started processing applications for New City Plaza as it has been updated in preparation for leasing.

Chair Moffat needed to leave and Vice Chair Bernal began to lead the meeting.

6. REAL ESTATE DEVELOPMENT REPORT

Director Moorhead informed the Board about the following real estate projects:

- NCP: The project should be completed at the end of February, 2025 and the fire panel update has begun in Building A. We are looking to close ARPA loan with Salt Lake County. This has been complicated due to environmental review and seeking a waiver for the Build America Buy America requirements.

- East 72: The 8609 application has been submitted, which is a Low-Income Housing Tax Credit Requirement. We are working to complete the cost certification and audit

- Granger Apartments: Granger is 75% complete and plans to be completed by December 2025. It is \$25K over budget. Housing Connect does not anticipate any other significant contingency expenses.

- 44 North: The property will be re-named. We are working through the due diligence. The construction finance closing is anticipated to be in January 2025. This is a co-owned property with First Step House.

- Kearns property: Housing Connect is assessing 4% bonds.

7. CEO'S REPORT

Housing Connect Chief Executive Officer Janice Kimball recognized Dan Pincock for his good work supporting the CEO and the Board of Commissioners. She and the Board thanked him for his service and wished him well in his retirement. CEO Kimball informed the Board the November meeting would be held virtually. She mentioned that the Resident Services Strategic Plan was almost completed. This has been an 8 to 9 month process. We had some really good thoughts and some big ideas. We will review the plan and make prioritizations based on the identified goals. This will be presented to the Board for their feedback and adoption. Commissioner Nguyen commented that the firm we hired has been very competent and capable. CEO Kimball mentioned that changing the fiscal year has caused some challenges with the HUD reporting systems which may result in some missed deadlines. We are working on it.

8. COMMISSIONERS' INPUT

Vice Chair Bernal encouraged board members to consider attending the NAHRO Washington DC conference in March and the PHADA Commissioner' Conference in January.

Commissioner Johnson thanked Dan for everything he has done and stated that she was going to miss him. Several board members echoed that comment.

9. OTHER

CEO Kimball reviewed the staff changes in the packet. COO Timmerman pointed out three of the vacant positions are filled. Vice Chair Bernal stated that nationally, maintenance positions are difficult to fill because of the high demand for employees in the construction sector.

ADJOURN

At 1:29 p.m., Vice Chair Bernal asked for a motion to adjourn. Commissioner Nguyen motioned to adjourn. and seconded by Commission Johnson and all Board members present (Vice Chair Bernal, and Commissioners Ramos and Litvack) voted in favor of the motion.