



HOUSING CONNECT

MINUTES OF THE APRIL 17, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

April 17, 2024

PRESENT:

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

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Financial Officer
Mike Kienast – Chief Operations Officer
Marni Timmerman – Chief Administrative Officer
Kirk Moorhead – Real Estate Development Director
Jarin Blackham – Information Technology Director
Zach Bale – Chief Program Officer
Ilez Brady – Housing Choice Voucher/Section 8 Director
Dan Pincock – Executive Administrator

COMMENCE

The April 2024 Housing Connect Board of Commissioners Meeting was held on Wednesday, April 17, 2024, and commenced at 11:39 a.m. Chair Spencer Moffat facilitated and led the meeting.

1. GUESTS/PUBLIC COMMENT

Karl Westbrook joined the meeting at 12:00 p.m.

2. MONTHLY FINANCIAL REPORT

Housing Connect Chief Financial Officer (CFO) Andre Bartlome provided the monthly financial report to the Board. He announced that Housing Connect would hold a Finance Committee meeting in May. The purpose of the meeting would be to discuss benefits issues and changes. It was decided to hold the meeting on Thursday, May 9.

CFO Bartlome reported that the Housing Connect financials look good. The Public Housing Capital Fund performed \$48,000 better than budgeted; Central Office was \$5,000 better than expected, while Central Maintenance was \$3,000 worse. The Development Fund lost \$72,000, but it is anticipated that it will catch up during the year. Owned Units were \$6,000 better than budgeted. Covewood showed a cash inflow of \$50,000. It was projected to make \$99,000, however. Expenses and legal fees accounted for the property not meeting its projection, but it is expected to improve throughout the year. Supportive housing experienced a \$93,000 cash inflow, and Housing Choice Voucher (HCV) admin also had a cash flow (\$43,000).

The Housing Assistance Payment (HAP) shortfall was at \$613,000, and CFO Bartlome said that this should be close to break even at the end of March, although Housing Connect expects an overall short fall of \$2.5 million over the year. The agency does expect some shortfall funding from HUD. CFO Bartlome felt confident that the shortfall will be rectified but added that if there are a lot of other housing authorities across the nation which are in a similar situation to Housing Connect, and if Congress has not approved a sufficient amount of shortfall funding, Housing Connect would only receive a portion of the shortfall funding. At the moment, Housing Connect is losing \$433,000. A lot of this is due to the HAP shortfall.

Other entities are doing quite well: Affordable Housing Associates (AHA) is \$2,000 better than budgeted; Housing Opportunities, Inc. (HOI) is showing that it is \$54,000 better than expected, and Choice Property Solutions (CPS) has a \$17,000 cash inflow. Housing Connect Fund

(HCF) broke even. The Hub Nextwork is \$178,000 better than budgeted.

Most of the tax credit entities are doing better than budgeted. Such properties include Frontier (\$6,000); Gregson (\$3,000) Villa Charmant (\$3,000), Kelly Benson (\$11,000), Bud Bailey (\$22,000); Bodhi (\$19,000); and The Hub. Grace Mary Manor is doing worse than budgeted by \$11,000 (capital needs expenses), and Hunter Hollow is losing \$5,000. The net operating income for New City Plaza (NCP) is \$165,000. East 72, though, has a \$49,000 loss, but this loss is expected during lease up.

Unrestricted reserves are at \$5.5 million, while total cash reserves are at \$15 million. There was a discussion regarding where the funds are held and what happens with the interest received. CFO Bartlome informed the Board that the majority of the interest gets spread mostly to Central Office (CO). The Board requested that they be shown at the next meeting how the money is spread out and requested that CFO Bartlome go back to them with an analysis of where the interest is going.

3. REAL ESTATE DEVELOPMENT REPORT

Housing Connect Real Estate Development Director Kirk Moorhead presented his report to the Board and briefly discussed the following projects:

- New City Plaza (NCP): Renovation is proceeding on Buildings B and C. C is almost complete, as is the Courtyard. Funding applications have been received, and Housing Connect is likely to receive \$420,000 in funding from Salt Lake County. The agency will apply to the Federal Home Loan Bank of Des Moines and to Olene Walker.

- East 72: Construction is complete, and Housing Connect is still working on closing the project out with the general contractor. CEO Janice Kimball added that leasing up is going well. As of this week, lease up is about 74% complete.

- Granger Apartments: Construction is proceeding along nicely and is about 35% complete. There have been some supply chain issues with the cabinets. The delivery for those have been delayed until about mid-June. The construction contingency is a little high, but currently there are no PCO's outstanding, and the contingency was due to some big ticket items.

- 44 North: The design team is working on construction documents. Once those the design development drawings are received, the project will be selecting the general contractor. Housing Connect is finalizing the Request for Proposals (RFP) for the equity investor and the lenders (construction and permanent loan lenders). As soon as HUD approves the environmental review, the on-site buildings will be demolished.

4. ACTION ITEMS

The following action items were voted on by the Board:

- Board Meeting minutes for the regular meeting held March 20 and the Special Board Meeting held March 28 – There were no comments or questions on the draft Board Meeting minutes for both meetings. Commissioner Litvack motioned to approve the minutes, and Commissioner White seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voting in support of the motion. The motion passed, and the minutes for both meetings were approved.

- Resolution #1104 – Request for Proposals (RFP) development partner for the Kearns property: Real Estate Development Director Moorhead explained that Housing Connect received two proposals – one from Praxis and the other from Brinshore. Management is recommending approval of the selection of Brinshore, who has offered a full service development role in moving the property to completion. Brinshore will help Housing Connect to get through the funding application stage, as well. Housing Connect is recommending a compensation agreement to include a 70/30 development fee split, in which Brinshore will take on the pre-development costs. Brinshore not only has experience in housing development (with two, high-profile projects in Salt Lake City – Spark and Aster Development), but they are used to working with housing authorities, too. The equity investor and UHC references came back really good, and, he added, from a construction management standpoint, Brinshore has a lot of experience in estimating and negotiating contracts.

He also informed the Board that Brinshore's plan is to have construction management come in to Salt Lake City twice a month to review progress on the property, to which the Board expressed apprehension, anxiety, and hesitation. Commissioner Litvack remarked that her preference was for management to be here locally on a day-to-day basis, and the rest of the Board was in agreement and stressed the importance of having local construction oversight. Director Moorhead said that he would have a conversation with them this week and ask them about this. Commissioner Litvack said this should be negotiated, and CEO Kimball said that Housing Connect can look at the developer fee to hire an owner's representative, if it is not able to negotiate on-site construction oversight with Brinshore.

Commissioner Litvack motioned to approve the resolution for the selection of Brinshore as the development partner for the Kearns

property with a request that Housing Connect negotiate for on-site construction and to provide the information back to the Board. Commissioner Johnson seconded the motion, which passed, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Leonelli, Litvack, Nguyen and White) voting favorably, and Resolution #1104 was approved.

5. HOUSING CHOICE VOUCHER (HCV) – ELIGIBILITY REPORT

Housing Choice Voucher (HCV)/Section 8 Director Ilez Brady presented the HCV-Eligibility report to the Board. At the end of March, HCV was over 99% leased. The shortfall is projected to be \$2.5 million, based on Congressional appropriations and could be subject to change. Housing Connect has started meeting with the HUD shortfall team. There are 14 HCV and VASH vouchers which are still being shopped. The agency is actively leasing up the new Family Unification Program (FUP) vouchers that were awarded, as well as the East 72 project-based vouchers (PBV). 39 clients are in progress in those programs. As vacancies come up at the PBV and RAD-based properties, Housing Connect continues to lease up. 328 clients were selected to participate in the Moving To Work (MTW) program's rent study, and 330 were selected to remain on the standard rent.

For Eligibility, most waiting lists are closed, but East 72, NCP, and Pleasant Green Villa are open. Waiting times on the wait lists range, and the oldest are from 2020 through 2022 (East 72 is the newest). The agency will start pulling from the NCP wait list in the next year or so.

At this time, the public member, Karl Westbrook, was invited to speak. He explained that he works at The Road Home and is beginning to work on a project to produce a platform to make better matching between the requirements of the tenant and the requirements of the landlord. He says he hopes that this will be open to the public, or at least to those in housing. He was interested in a point of contact at Housing Connect to help shape the tool (the housing criteria and the format). CEO Kimball pointed him to reach out to Director Brady and Chief Program Officer Bale.

Board members sought clarification on MTW. CEO Kimball explained the basics and said that it is a national study and that there is a research partner who will be releasing reports at different times throughout the study. CAO Timmerman said she would pass along the study to the Board.

There was then further discussion on the program which Mr. Westbrook is working on.

6. CLOSED MEETING

At 12:32 p.m., Commissioner Johnson motioned for the Board to enter Closed Meeting to discuss real estate and possible litigation, and 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 1:07 p.m., Vice Chair Bernal made a motion for the Board to exit closed session and to return to regular (open) session, with Commissioner Litvack seconding the motion. All Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Johnson, Leonelli, Litvack, Nguyen, and White) voted favorably, and the Board returned to regular session.

7. CEO'S REPORT

CEO Kimball kept her remarks brief. Housing Connect has released a project-based voucher RFP to support the community's initiatives on permanent supportive housing. The decision will come in prior to the tax credit rounds.

8. COMMISSIONERS INPUT

Vice Chair Bernal and Commissioners Leonelli, Litvack, and Johnson did not have any input to report for the Board.

Commissioner White noted that there was no Resident Advisory Board (RAB) meeting in April and that the next meeting is scheduled for May 8.

Commissioner Nguyen attended the NAHRO Legislators conference in Washington, D.C. She remarked that it was an excellent conference and that she learned a lot about all that takes place in D.C. She added that it was fantastic to be in that group of people and that CEO Kimball represents the Utah housing community very well. She said that it was a really great learning experience and that she enjoyed it and thanked Housing Connect for giving her that opportunity.

9. OTHER

Executive Administrator Dan Pincock called to the Board's attention that it will not be possible for the June Board meeting to take place as scheduled, given the Juneteenth holiday that day (June 19). The Board chose to hold the meeting on the following Wednesday (June 26).

ADJOURN

At 1:13 p.m., Chair Moffat adjourned the meeting without objection.

Respectfully submitted,

Dan Pincock
Executive Administrator