



HOUSING CONNECT

MINUTES OF THE DECEMBER 18, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

December 18, 2024

PRESENT:

Phil Bernal – Chair
Christine Nguyen – Vice Chair
Mike Akerlow – Commissioner (Virtual)
Kat Johnson – Commissioner
Wendy Leonelli – Commissioner (Virtual)
Erin Litvack – Commissioner
Jamie Ramos – Commissioner

EXCUSED:**GUESTS:**

Nicholas Fritz – HC Fund Chair
Kristi Kearn – HOI Trustee

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Marni Timmerman – Chief Operating Officer
Mike Kienast – Chief Asset Officer
Kirk Moorhead – Real Estate Development Director
Jarín Blackham – Information Technology Director
Jeanette Hernandez – Director of Property Management & Compliance
Lori Pacheco – Public Housing Director
Tom Biesinger – Comptroller
Krysta Niemczyk – Director of Policy and Strategic Initiatives
Tiffany Clement – Regional Property Manager
Braidee Kolendrianos – Marketing Strategist
Lori Berry – Executive Administrator

EXCUSED:

Pre-Board meeting display: Property List on Interactive Map**WELCOME**

The December 2024 Housing Connect Board of Commissioners Meeting was held on Wednesday, December 18, 2024, and commenced at 12:18 p.m. Chair Phil Bernal facilitated the meeting.

GUESTS/PUBLIC COMMENT

- None

ACTION ITEMS

- Adoption of November HC Board of Commissioners Meeting Minutes 11.20.24:
 - There were no changes or comments. Vice Chair Nguyen moved to approve the minutes and Commissioner Litvack seconded the motion. All Board members present (Chair Bernal, Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor of accepting the minutes of the November 2024 Board; none opposed. The November minutes are accepted.
- Approval of Housing Connect Staff Bonus 2024
 - CEO Kimball stated we discussed Staff Bonuses in the executive session last month, but neglected to put it on the agenda, and per Open Meeting Law, we need to. We need to have it on the agenda officially to vote on it. We agreed upon a \$300 Bonus to staff and co-located partners. And I would ask for approval for that.
 - Commissioner Johnson moved to approve a \$300 Bonus to Housing Connect staff and co-located partners;

Commissioner Ramos seconded the motion. All Board members present (Chair Bernal, Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor of the \$300 Bonus for Housing Connect staff and co-located partners; none opposed. Staff Bonuses are approved.

- Resolution #1113 – Adoption of 2025 Housing Connect Budget
 - CEO Kimball started by thanking her team, particularly Controller Biesinger for his work on the budget. We reviewed this in the Finance Committee and what we want to do today is go over the highlights and then speak about what has changed since it was presented the last time you all saw it.
 - We are presenting a budget with cash \$263K to the good. We do have some challenges, one of which is the projections for the Federal budget. We've been told by HUD we're looking at being in shortfall again, which is not reflected in this budget. What we're 'guesstimating' at this point in time is a shortfall between \$2M-\$3M.
 - What also has changed since we last met is we're projecting a shortfall in HOPWA in funding from Salt Lake City and the State of Utah and that is based on receiving less money than needed to operate. HOPWA funding in general is going to be tricky because the State of Utah no longer meets the criteria to apply for funding, and they have given us an 18-month notice to help rehouse those folks.
 - Controller Biesinger stated we've found cost-cutting measures after our Finance Committee meeting and we've determined we can cut our fleet by five (5) vehicles, which resulted in \$40K to \$50K in savings – lease and car insurance expenses.
 - We're also looking at the feasibility of restructuring our Central Maintenance, moving some of our maintenance over to properties rather than having them in a Central Maintenance function.
 - There's going to be a Continuing Resolution through March so that funding we're getting right now will stay the same. CEO Kimball stated it will stay flat. As you know, Continuing Resolutions are very nerve wracking, because if they pass a cut halfway through the year, it's not a 5% cut. If they do it in June, it's a 10% cut. We've been advocating with our elected officials to pass a budget sooner rather than later.
 - Controller Biesinger also stated some mitigating comments: we are a Moving-to-Work Agency and there's some flexibility to be able to take some of our capital funds and some of our Section 8 funds and be able to have them help out with those areas we might need help with. This budget includes \$850K in Capitalized Expenses: these are non-recurring in nature, and if needed, some of those can be deferred.
 - Commissioner Ramos asked, in the foreseeable future, are we going to be able to qualify for the HOPWA funding again as a state or is that something that's off the books now. CEO Kimball responded she doesn't believe there are enough individuals who have AIDS or are HIV-positive to qualify for this. We still get some funding from the City and they'll continue to apply for that funding as long as there's a need. The good news is the numbers are going down. It's just hard when you've got some people on the program who are very low income and are stable, and we have to figure out how to get them qualified for another rental program. Commissioner Ramos asked how many are we talking about and Director Niemczyk replied our state program, which is the funding that's going away, has between 14 and 16 households
 - CEO Kimball then stated we're a little over eased on the other one and we have to triage. Director Niemczyk replied the program has ~40 households on it and we're looking at about six months to make up the difference.
 - CEO Kimball said we're looking at offering to people over 62 to move into NCP; some may qualify for mainstream vouchers, which we can still lease up; and it's under a different funding tracker than our standard Section 8; and we're also working with the City and the State to see what flexible funding we have.
 - If we have the information, if we know what we can and can't do, then we'll bring it back to the Board in February or March. We're still vetting the regulations. Commissioner Litvack asked what's the timeline in which we'll need to have those folks relocated? CEO Kimball replied, For the State, it will be the end of 2025, and that's the loss we're projecting. We're projecting a \$108K loss under HOPWA. We're projecting to keep them housed, just not having the revenue to cover it. We're committed to ensuring they're stably housed. To add to that, the City has given some indication, starting in the next fiscal year, they expect to have the funding to fully support these households. It's just getting to that point.
 - Commissioner Litvack mentioned, as a Commissioner, she'd like to stay abreast of how that's going as we work through that issue. CEO Kimball mentioned that the State has given us a long ramp of an 18-month

notice and they're working with us to find other options.

- Director Moorhead mentioned he wouldn't be surprised if the HOPWA program eventually goes away; it's a program that's been around since the early-to-mid 90's, but it's from an era when having AIDS was a death sentence and that's no longer the case. I wouldn't be surprised if this is considered low hanging fruit when your goal is government efficiency.
- Commissioner Litvack made the motion to approve Resolution #1113 and Adopt the Housing Connect 2025 Budget; Vice Chair Nguyen seconded the motion. All Board members present (Chair Bernal, Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor of Approving the 2025 Budget; none opposed. The 2025 Housing Connect Budget is Adopted.
- Resolution #1114 – Public Housing Admissions and Continued Occupancy Policy (ACOP) Updates
 - CEO Kimball asked Public Housing Director Lori Pacheco to address the Updates to our Section 8 Administration Plan and our Public Housing Admissions and Continued Occupancy policy (ACOP) Updates.
 - Director Pacheco stated one of the updates that is through the many chapters is HUD has changed the language of Decent, Safe, and Sanitary Housing to Safe, Habitable, and Functionally Adequate. They are also using the term Operable and Free of Health and Safety Hazards. And so that has been changed in multiple chapters throughout as well.
 - Also, multiple chapters were changed, as HUD has transitioned its physical inspections to NSPIRE, which now stands for National Standards for the Physical Inspections of Real Estate, so anywhere it referenced REAC or the Uniform Physical Condition Standard, that's been updated as well.
 - Director Pacheco continued: there were several chapters where notices have come out with some current information. CFR references and notice tags were updated. This ACOP has been updated to comply with HOTMA and the new calculations, and so forth. That is going to be taking place under that program right now. It's on a brief delay; it is pulled back on implementation for a minute, as they're having some work on their end to get the system read to transition; once that's up and going, our documents will be ready to go as well.
 - We've added information which states the Housing Opportunity through Modernization Act and the changes and statues governing that program will be included. The Mandatory v Discretionary policy was changed to Mandatory and Non-Mandatory (just a language change there.)
 - We also updated information on HUD form 9886 where each family is required to sign, and historically, they're required to sign annually. Now, you're only going to have to sign at admission, and you're done. If you refuse to sign it, or if you sign it and revoke later – decide that you want to revoke your consent of signing – that is grounds for termination from the program. That is a mandatory HUD item. Director Pacheco was asked if she sees this as a positive or a negative, paperwork wise? Director Pacheco replied it's definitely less work. Thus far, I can say nobody has refused to sign it or revoke their consent.
 - Director Pacheco continued, there's also been added language on asset and property ownership requirements and the limitations required under HOTMA. In regard to that, we've also updated the income, inclusion, and exclusions: HUD would say are these items are included and all these items are excluded, and now HUD has simplified it: these items are excluded, and if it's not on the list, it's included.
 - We've updated the language for the requirements for people who are temporarily absent and any mandatory deductions we have from the annual income. We've updated our policy on some of our hardship exemptions; and we added some information about streamlining and our verification hierarchy.
 - We've also added information about how your income is determined at admission versus how it is determined at recertification. We did some updating on our chapter on pets; and updated some information on our transfer policy. There's also a requirement under HOTMA for over income families whose income exceeds the over income limit for 24 months – they cannot be considered public housing tenants anymore. They would be called NPHOI – Non-Public Housing Over Income Household. If they choose to stay, they would have an alternate non-public housing rent that would be charged to them. Thus far, we haven't had anybody that's met that income limit.
 - It talks about program integrity and using the EIV system. It also talks about Safe Harbor determinations. And when we can use other programs, income verifications to determine rent. It talks about de minimis errors and when we're obligated to reimburse a family for any miscalculation or overpayment. When someone forgets to report their income and they have an overpayment, their payback to us can't exceed

40% of their income. We'll have to ensure we take that into account when we're setting them up on a repayment plan.

- Commissioner Johnson moved to pass Resolution #1114 - Public Housing Admissions and Continued Occupancy Policy (ACOP) Updates; Commissioner Ramos seconded the motion. All Board members present (Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor of Approving the Public Housing Admissions and Continued Occupancy Policy (ACOP) Updates; none opposed. The Public Housing Admissions and Continued Occupancy Policy (ACOP) Updates are Adopted.
- Resolution #1115 – Housing Connect Funding Advance – New City Plaza (NCP)
 - CEO Kimball spoke. The good news is we are about 98% complete on NCP. The bad news is there's a challenge with the timing. What I am asking is for the Board to allow us to advance up to \$4M in reserves to be able to pay the contractor and this is money we have. We have money coming in from the County and the State and we've been slow to close on that, and we've got about \$2.2M we've secured and we qualify for. We're have another \$1.8M that we're working through waivers, particularly through Build America, Buy America. And then we have a 0% loan from the equity provider for that – just basically is part of our first installment. We have money coming in that will cover the \$4M. It's just a matter of timing.
 - We have \$2.5M in Unrestricted Reserves and then we have \$3M in Self-Restricted Reserves. So technically, it's the Unrestricted. I would suggest we take from the \$3M first and then the Unrestricted cash. That money will be replaced when the money comes into the project.
 - Vice Chair Nguyen comments, this is just so you can close out the project prior to receiving those funds that are already committed, so it's a cash flow issue. CEO Kimball replied, yes, it's just so we can pay the contractor. We'll have money that will be due to the contractor about three months before we'll have the money to pay them. Vice Chair Nguyen commented, I think it's amazing you can resolve it, it's really a positive thing it can be resolved in this way without having to do something outside of the agency. My commendation for doing this so well.
 - Commissioner Litvack moved to approve Resolution #1115 – Housing Connect Funding Advance – New City Plaza (NCP); Commissioner Johnson seconded the motion. All Board members present (Chair Bernal, Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor; none opposed. Resolution #1115 – Housing Connect Funding Advance – New City Plaza (NCP) is approved.

REAL ESTATE DEVELOPMENT REPORT

Presented by Real Estate Development Director Moorhead

- NCP
 - We are about 98% complete. We anticipate having all the work completed by the end of the first week of January and the last four weeks essentially cleaning up and doing punch list stuff.
 - By mid-January, we hope to close on a \$1.4M loan from Salt Lake County; this is old ARPA/Covid money we applied for. We're finalizing loan documents now on that \$1.4M. We have \$895K, same timeframe same trajectory, from Salt Lake City for NEPA (National Environmental Protection Act). We're closing on that by mid-February.
 - We'll probably not be able to draw upon \$1.5M from the State of Utah, Olene Walker Fund as well as \$390K from Salt Lake County; we have the ability to close on that funding, but won't be able to draw on that until we have some approved waivers from HUD for Build America, Buy America.
 - In addition to that, as CEO Kimball mentioned, we have essentially \$4M in advance of our next equity installment. We're getting a 0% interest loan from Enterprise, who is not only an equity investor, but also a non-profit organization. That's just a cash flow thing, and so they're willing to help us out. They know we've had a really bumpy ride with this deal. The equity investor is willing to come to the table with a 0% interest loan to help us with our cash flow, which could, of course, make a lot of what Resolution #1115 was about go away.
 - We anticipate getting our certificate of occupancy from the city next week, and we'll be able to occupy those units in January.

- East 72
 - Waiting to receive the 8609 form.
- Granger
 - Braidee has a photographer taking some photos out there of the interior of the units; and they're going to come back next spring to take photos of the exterior.
 - We're going to have a stakeholder tour of the building in early January and we're going to hold off on doing a groundbreaking celebration until springtime when we get some of the site work completed.
- OTHER
 - 44 North: we have the deals up to bid right now; we're getting numbers back by January 10th and closing on the construction financing by the end of February. And the buildings have been demolished.

MONTHLY FINANCIAL REPORT/BUDGET UPDATE

- Chair Bernal turned the meeting over to Housing Connect Controller Tom Biesinger, thanking him and the rest of the staff for their work in putting together the budget.
 - With ten months to date through October, we have \$61M in revenue and \$57.7 in expenses. We are actually \$2.34M to the good.
 - We've collected on the development fees for East 72.
 - Our total cash on hand at the end of November is \$11.8M; \$4M of that is in Unrestricted Reserved and \$7.8M in Restricted Reserves.

CEO REPORT

- CEO Kimball reported she's been working to get out and talk to either the city managers or the planning departments for the properties we're considering developing. I've been out to meet the City Manager for WVC; I've got a meeting with the Mayor of Taylorsville set up. Real Estate Development Director Moorhead and I met with Millcreek and we also met with Midvale; that's three of the four communities where we have public housing left.
- CEO Kimball also reported an expert in the use of converting Faircloth units (where we've disposed of public housing) and we were advised at this time it's way too bureaucratic to look at.
- Commissioner Johnson asked about the CFO hiring process? CEO Kimball announced Fernando Aniban has accepted the position and his start date will be January 13, 2025.

CLOSED MEETING

- There was nothing to be discussed in a Closed Meeting and it was skipped for the month of December.

COMMISSIONERS' TIME

- Chair Bernal suggested the Board bring their Commissioners' Handbooks and perhaps each month, we can look at one to two chapters about what it says about our role and what we can and cannot do.
- It was announced the Utah Housing Matters Award for Agency of the Year was given to the Office of Long-Term Services & Support UDHHS, under Christine Nguyen and Linda Robinson. Congratulations to Vice Chair Nguyen!
- Commissioner Litvack announced the Salt Lake County Council officially passed their budget the previous Tuesday, December 10, 2024. The Council approved \$800K into the Housing Trust Fund so there will be another opportunity to make applications for some of those funds. Commissioner Litvack also thanked CEO Kimball for coming to the council meeting. We were able to preserve the funding supporting some of the work of Housing Connect in that process and I wanted to thank CEO Kimball for being there.

OTHER

CEO Kimball pointed out the items under OTHER the Board Commissioners should take note of and reminder of the next

meeting in January will be the all-day retreat on January 15th, to be facilitated by Julie DeLong from Pathways and Associates.

CAO Mike Kienast made note to everyone present this is Director of Public Housing Lori Pacheco's last Board Meeting; she is retiring with 31 years with the agency. Director Pacheco thanked everyone stating she's enjoyed her time with Housing Connect so it's bittersweet as one chapter closes, she is looking forward to the next. Director Pacheco reminisced, "31 years here with this agency. I started in 1994. Yes, I've seen a lot of changes. I've worked for 4 different directors or CEOs now. And I've been able to be a part of so many wonderful things here, and it provided so well for my family, and it's been such a joy. I was saying in the management meeting that so oftentimes we talk about the tenant and changing lives and serving them. But it's truly changes my life, too, for the better. And I'm for that. I'm so thankful." CEO Kimball stated Director Pacheco really made the transformation of public housing much smoother than it would have been without her. And she did wonders working with our tenants.

- **New Employees Since Last Board Meeting**
- **Annual PHA Plan and MTW Supplement to PHA Plan – HUD Approval Letter**
- **MTW Plan – Statutory Requirements Compliance Assessment for 2023**
- **Continuum of Care Update**
- **Asset Summary for Board (Property List)**
- **2025 Board Meetings Dates & Timelines**

ADJOURN

- At 1:35 p.m., Chair Bernal asked for a motion to adjourn. Commissioner Litvack motioned to adjourn. And seconded by Commissioner Johnson and All Board members present (Chair Bernal, Vice Chair Nguyen, Commissioners Akerlow, Johnson, Leonelli, Litvack, and Ramos) voted In Favor of Adjournment.
- Board of Commissioners meeting Adjourned.

Respectfully submitted by Executive Administrator Lori Berry.