



HOUSING CONNECT

MINUTES OF THE MARCH 20, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

March 20, 2024

PRESENT:

Spencer Moffat – Chair
Phil Bernal – Vice Chair
Kat Johnson – Commissioner
Erin Litvack – Commissioner
Christine Nguyen – Commissioner

EXCUSED:

Wendy Leonelli – Commissioner
Gwen White – Commissioner

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
Jarín Blackham – Information Technology Director
Zach Bale – Chief Program Officer
Lori Pacheco – Public Housing Director
Dan Pincock – Executive Administrator

COMMENCE

The Housing Connect Special Board of Commissioners Meeting was held on Wednesday, March 20, 2024, and commenced at 11:54 a.m. Chair Spencer Moffat facilitated and led the meeting.

1. GUESTS/PUBLIC COMMENT

There were no guests or members of the public in attendance.

2. MONTHLY FINANCIAL REPORT

Housing Connect Chief Financial Officer (CFO) Andre Bartlome provided the monthly financial report to the Board. As the budget year began on January 1, the report provided information for only one month (through January 31). The consolidated figures indicate a cash loss of \$235,000 compared to a cash inflow projection of \$100,000. Among the highlights, he said that Public Housing is showing a \$31,000 cash inflow (over a budgeted \$7,000 loss). Central Office had a negative cash flow due to high salary and benefit costs in January. Central Maintenance was \$7,000 better than expected. No developer fees have been received yet. Owned units performed \$23,000 better than budgeted, but Covewood was \$24,000 worse (legal and sewer expenses). Housing Choice Voucher (HCV) was \$11,000 worse than budgeted.

The main cause of the overall Housing Connect outflow is the Housing Assistance Payment (HAP) portion of HCV, which accounted for \$285,000. Housing Connect has requested additional funds. Last month, Housing Connect met with HUD to discuss the shortfall issues, as Housing Connect is already doing things to lessen this cost. Housing Connect will continue to meet monthly with HUD. Congress recently passed the budget, and HAP funding was increased by almost 8% compared to the previous year, and Housing Connect will likely receive \$3 million more, but with costs going up in the rent market, Housing Connect could face a \$4 million shortfall. There is some funding available, according to what was passed by Congress, for housing authorities who face similar shortfall issues. Chief Executive Officer (CEO) Janice Kimball remarked that, usually, after Congress passes a budget, HUD releases the ability for housing authorities to apply for shortfall funding for unforeseeable increases. She added that Housing Connect will keep the Board updated. In the budget which Congress passed, HCV admin funding was reduced by a minimal amount, Public Housing operating funds increased by 7%, and Public Housing capital fund stayed the same as last year.

Housing Connect entities Affordable Housing Associates, Inc. (AHA), Housing Opportunities, Inc. (HOI), Choice Property Solutions (CPS), and Housing Connect Fund (HCF) are all doing well. Among the tax credits, Grace Mary Manor is losing \$3,000, and Hunter Hollow is \$5,000 worse than budgeted. New City Plaza (NCP) is \$60,000 better than projected, and East 72 had \$26,000 more in expenses than projected. CFO Bartlome also reviewed the reserves (unrestricted and restricted).

The Board expressed interest and concerns regarding the HCV (Section 8) shortfall. CFO Bartlome felt that Housing Connect would be able to apply for the full amount of the shortfall but said that the question is whether HUD will have enough to cover applications from all of the housing authorities who are in shortfall.

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): A funding commitment from Salt Lake City government was received in the amount of \$895,000 (for capital funding). Housing Connect currently has applications pending with Salt Lake County government and are pursuing other funding opportunities as well. This continues to be challenging with escalating costs, and difficulties with the development team. The new owner's representative seems to be helping improve the situation.

- East 72: Lease up is proceeding well, and staff expect full lease up by the end of the month. He called attention to the great job which the staff did. Housing Connect still does not have an agreement on the close-out with the contractor.

- Granger Apartments: Construction is proceeding nicely and is 25% complete. Housing Connect anticipates taking possession of the first half of the units in early May. He pointed out that currently the agency is doing just fine with the construction contingency, although there are some big items that will be run through a change order which will affect the contingency.

- 44 North: This project will provide 67 units of supportive housing, in partnership with First Step House. Housing Connect is still working on the Request for Proposals (RFP) for the equity investor and lender. It did, however, already select the architect: Method Studios. He noted that security issues continue but that after HUD approves the environmental review, the existing buildings will be removed. A final vote on the project by the Salt Lake City Council will take place on March 26, and all indications are that the Council is supportive.

It was also mentioned that there is a lot of development going on in the area.

4. CLOSED MEETING

At 12:24 p.m., Commissioner Litvack motioned for the Board to enter Closed Meeting to discuss real estate, litigation, and personnel matters, and Commissioner Nguyen seconded the motion, and all Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Johnson, Litvack, and Nguyen) voted in support, and the Board entered Closed Meeting.

At 1:21 p.m., Commissioner Litvack made a motion for the Board to exit closed session and to return to regular (open) session, with Commissioner Nguyen seconding the motion. All Board members present (Chair Moffat, Vice Chair Bernal and Commissioners Johnson, Litvack, and Nguyen) voted favorably, and the Board returned to regular session.

5. ACTION ITEMS

The following action items were voted on by the Board:

- CEO compensation: Based on the discussion in the Closed Meeting session, Commissioner Litvack motioned to approve the proposed compensation for the Chief Executive Officer. Commissioner Johnson seconded the motion, which passed, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, and Nguyen) voting favorably.

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

- Resolution #1102 – Public Housing Admissions and Continued Occupancy Policy (ACOP) changes: Public Housing Director informed the Board that there were two small changes to the ACOP:

1) The wording in the Selection Method in Chapter 4 was updated to indicate that Housing Connect now has one mixed population

development , which is Valley Fair Village;

- 2) A section in the verification of preference status was updated. The Housing Authority will verify preference for mixed population development as well as follow local preferences (which haven't changed since the last time the Plan was approved.).

Commissioner Litvack motioned to approve the resolution for the ACOP changes. Commissioner Johnson seconded the motion, which passed, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Litvack, and Nguyen) voting favorably, and Resolution #1101 (Public Housing ACOP changes) was approved.

- Development Partner for the Kearns project: Director Moorhead explained that Housing Connect currently owns a 32-unit property in Kearns (Kearns Mountain View) and has acquired a 3-acre property next door (which is appropriately zoned for multi-family housing). It is anticipated that at least 45 units will be added to the property. Housing Connect desires to move forward with the development of the new property and the renovation of the existing property and would like to bring in a development partner.

He said that an RFP was put out and that the agency received two proposals. Housing Connect scored the two proposals, and Brinshore Development came out ahead. A resolution will be provided at the next month's regular Board meeting along with details. Since the costs will exceed the \$250,000 threshold, the Board will need to approve the selection of Brinshore, which will provide full development services. He also indicated that the goal is to have a Low-Income Housing Tax Credit application to the Utah Housing Corporation (UHC) by early June.

No action at the meeting was requested other than the Board's support to move forward. Chair Moffat stressed that before the Board awards the contract, Housing Connect needs to have a clear picture of the importance of making sure the references check out and that the individuals overseeing the construction management are local people who have worked in the market and have connections here in this area.

The Board indicated that it is supportive of Housing Connect moving forward and bringing back the full details at the next meeting.

6. COMMISSIONERS INPUT/OTHER

It was agreed that the Commissioners Input would not be given at this meeting.

CEO Kimball called the Board's attention to the staff updates in the Other section for the Board to review.

ADJOURN

At 1:31 p.m., Chair Moffat adjourned the meeting without objection.

Respectfully submitted,

Dan Pincock
Executive Administrator