



HOUSING CONNECT

MINUTES OF THE JUNE 26, 2024 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

June 26, 2024

PRESENT:

Phil Bernal – Vice Chair
Kat Johnson – Commissioner
Wendy Leonelli – Commissioner
Erin Litvack – Commissioner (virtual)

EXCUSED:

Spencer Moffat – Chair
Christine Nguyen – 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 (virtual)
Jarín Blackham – Information Technology Director
Zach Bale – Chief Program Officer

COMMENCE

The June 2024 Housing Connect Board of Commissioners Meeting was held on Wednesday, June 26, 2024, and commenced at 11:40 a.m. Vice Chair Phil Bernal facilitated and led the meeting.

1. GUESTS/PUBLIC COMMENT

There were no guests or members of the public present at the meeting.

2. MONTHLY FINANCIAL REPORT

Housing Connect Chief Financial Officer Andre Bartlome presented the monthly financial report through the end of April 2024. Some of the highlights included: East AMP is doing especially well. Central Office is on-budget, but he noted that in July there will be some high unbudgeted HVAC (heating/ventilation/air-conditioning) expenses. Housing Connect expects to receive more developer's fees for East 72, and later in the year, the agency will receive developers fees for Granger and New City Plaza (NCP). Owned units are doing well, but there will be some capital improvements which will be made later in the year. For Covewood, CFO Bartlome mentioned that expenses there have been higher than normal. Supportive Housing is breaking even. Housing Choice Voucher (HCV) admin is \$10,000 better than budgeted. HCV Housing Assistance Payment (HAP) has significant cash flow issues. There was a brief discussion on Parkhill. CFO Bartlome reviewed the other entities and the tax credit properties, and he presented information on the restricted/unrestricted reserves, as well as the reserve interest allocation, which the Board had asked about earlier.

3. CLOSED MEETING

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

At 11:45 a.m., Commissioner Johnson made a motion for the Board to exit closed session and to return to regular (open) session, with Commissioner Leonelli seconding the motion. All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, and

Litvack) voted favorably, and the Board returned to regular session.

4. ACTION ITEMS

The following items were presented for action by the Board:

- Housing Connect Board Meeting minutes – May 15, 2024 meeting: Commissioner Litvack noted that she reviewed the May 15 minutes and did not have any comments or questions and motioned that the Board approve the minutes, which was seconded by Commissioner Leonelli, with all Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, and Litvack) voting affirmatively. The motion passes, and the May 15, 2024 Housing Connect Board Meeting minutes were approved.

- Resolution #1107 – Significant Amendment to the Housing Connect 2024 Public Housing Agency (PHA) Plan: Housing Connect Chief Administrative Officer (CAO) Marni Timmerman briefly explained the significant amendment process, noting that for anything of a substantive change to the annual plan, HUD must be alerted and approve before Housing Connect can proceed with the change. Housing Connect Chief Asset Manager Mike Kienast further clarified that the significant amendment in question is for the Section 18 demo/disposition of Valley Fair Village. CEO Kimball added that the change allows West Valley City to expand the road, for which Housing Connect will be paid for the property which will be taken. It was brought to the attention of the Board that all protocols have been followed.

Commissioner Johnson motioned to approve the resolution, and Commissioner Litvack seconded the motion. All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, and Litvack) voted in support of the motion, which passed, and Resolution #1107 (Significant Amendment to the Housing Connect 2024 PHA Plan) was approved.

- Resolution #1108 – Approval of Project-Based Voucher Awards: CEO Janice Kimball explained that Housing Connect provided a Request for Proposals (RFP) for 150 Project-Based Vouchers (PBV). The agency received 3 applications and is recommending that the Board approve awards to two of the proposals: 100 vouchers for Palmer Court (The Road Home) and 50 vouchers to Giv Group and Valley Behavioral Health. Vice Chair Bernal inquired if this was something which was planned ahead of time, and CEO Kimball confirmed that prioritizing project-based vouchers for chronically homeless was something which was agreed to last year.

It was CEO Kimball's understanding that for Palmer Court, the applicants are looking to add units to an open space on the property with the ultimate goal of getting rid of the existing project as it currently stands. Overall, this should increase the inventory there, although the current configuration at Palmer Court doesn't lend itself well to management of safety of the project (as there are various points of access to the property). As for the application which was not recommended for awarding, the project wasn't far enough along, and the applicant would not be able to apply for PRB until the next year. It can be revisited at that time. Presently, Housing Connect has sufficient vouchers. There was a question about the 50 vouchers that are already there. CEO Kimball said that eventually, Palmer Court would look to re-purpose the vouchers and that she understands that families would be moved to other communities. As long as they families holding vouchers are in good standing, they can take them with them.

Commissioner Johnson Leonelli to approve the resolution. Commissioner Johnson provided her second to the motion. All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, and Litvack) voted affirmatively. The motion passed, and Resolution #1108 (PBV awards) was approved.

- Housing Connect Fund (HCF) changes: CEO Janice Kimball explained that Housing Connect is proposing changes to the Housing Connect Fund (HCF). In addition, she informed the Board that Chief Program Officer Zach Bale would be leaving the agency and that he and his family will be moving to Chattanooga, Tennessee. He has agreed to continue working on contract for the next little while to ensure a smooth transition. CEO Kimball would like to see the outcome of the agency's strategic plan for services before filling his position.

In his explanation of the proposed changes to HCF, Chief Program Officer Bale summarized the topic by showing slides covering the why, the organizational chart, Housing Connect Fund history, establishment of Housing Opportunities, Inc. (HOI) and Housing Connect Fund (HCF), Affiliate vs. Instrumentality, no change in role (the purpose of HCF, its mission, and the role of the HCF Board), Board operation, Housing Connect and HOI Board membership, proposed HCF Board membership, and updates to bylaws.

It was explained that the recommendation for the changes are to more closely align the Housing Connect and the HCF boards, to elevate Board giving with a unity among the various entities, to bring services more to the forefront, and the need for funding to be aligned. Management recommends that the HCF Board operates and is aligned like the HOI Board is: Meet with the Housing Connect Board, with all Housing Connect Board members as part of the HCF Board.

Commissioner Johnson was supportive but was concerned that there would need to be different profiles of the Board members, since the boards have different missions. CPO Bale and CEO Kimball clarified that the HCF Board bylaws would need to be changed to not only include automatic membership for Housing Connect Board members but also to update the process for additional trustees with the appropriate expertise needed to fill the mission.

CEO Kimball explained that HCF does not participate in the traditional fundraising and would continue to focus on funding from corporations, foundations, and support from government. Several commissioners expressed hesitation about participating in fundraising if they were included in the HCF Board, and it was clarified that HCF Board members would not be asked to fundraise, that the activity is "staff-done" (working with connections, grant-writing, etc. – internally resourced by staff). The HCF Board's responsibility is fiduciary – reviewing the budget, making sure the Fund is on-track and will hit its targets – although the Board could be invited to share corporate contacts. Commissioner Johnson noted that the Housing Connect Board members essentially would be doing for the HCF Board what they have been doing for HOI.

Commissioner Johnson moved to approve moving forward with the changes to HCF with Commissioner Leonelli providing a second to the motion. All Board members present (Vice Chair Bernal and Commissioners Johnson, Leonelli, and Litvack) voted in favor of the motion, which passed, and the changes to Housing Connect Fund were approved.

5. REAL ESTATE DEVELOPMENT REPORT

Housing Connect Real Estate Development Director provided information regarding a number of projects, as follows:

- New City Plaza (NCP): Construction on Bldg. B is proceeding. The courtyard is complete, and ownership has been turned over to Housing Connect. Staff should be moving into their new offices at Bldg. C within the next week. The vast majority of the site paving will be done during the week of July 8. Bldg. A is complete; Bldg. B is vacant and is under renovation. There are issues with the air conditioning system. Construction is at 69.51% complete. Additional funding applications have been submitted.
- East 72: Units are 100% leased. The closeout issue with the general contractor has been resolved. The third equity installment has been received from the equity investor. In the next 2-3 months, the final conversion from the construction lender to the permanent financing lender will take place.
- Granger Apartments: Construction is proceeding nicely. Housing Connect will take possession of the first half of the units next week. Construction completion is at 43.94%.
- 44 North: Housing Connect is finishing up the equity investor and the equity lender selections. There was a lot of good participation in this process. A Request for Quotes (RFQ) for general contractor has been sent out.
- Kearns: A funding application for the construction of 50 units of housing for the 3-acre parcel adjacent to the Kearns Mountain View property.

Commissioner Litvack inquired into the use of other funds for the overages. She suggested another box on the slide showing the additional money and source as approved, with an accounting of how it was earmarked.

6. CEO'S REPORT

Housing Connect CEO Janice Kimball briefed the Board on the following issues:

- Section 8 shortfall: Housing Connect continues working with HUD and projects a \$4.65 million shortfall. Housing Connect will meet with the HUD shortfall team tomorrow. Housing Connect received a notice from HUD indicating that many housing authorities are in the same situation and that HUD is re-prioritizing how it administers funds and is focusing on shortfall funding.
- On June 17, Housing Connect hosted a HUD headquarters staff visit. There were 22 high-level HUD staff who visited and toured Bud Bailey and The Hub. CPO Zach Bale presented on Housing Connect's self-sufficiency programs. HUD would like to open a call center to help with the volume of calls for service and program needs. HUD is interested in working with housing authorities to identify agencies' participants to hire as employees (approximately 30 individuals).
- She reminded the Board that she is still participating on the Commission of Housing Affordability. There is a lot of focus on home ownership. The Commission is looking at state funded vouchers and how to prioritize them.

7. COMMISSIONERS' INPUT

CEO Kimball asked Commissioner Litvack if the County could provide a presentation on the Mayor's homelessness plan, which has a housing component. She will plan on presenting this as an agenda item for the next meeting.

Vice Chair reviewed some of the upcoming conferences which may be of interest to the Board.

8. OTHER

The staff hires and changes list was displayed.

ADJOURN

At 1:10 p.m., Commissioner Johnson motioned to adjourn the June 2024 Housing Connect Board Meeting, and Commissioner Litvack seconded the motion, with all other Board members present (Vice Chair Bernal and Commissioners Johnson, and Litvack) voting in support. The meeting was then adjourned.

Respectfully submitted,

Dan Pincock
Executive Administrator