



HOUSING CONNECT

MINUTES OF THE MAY 21, 2025 REGULAR MEETING OF THE BOARD OF COMMISSIONERS Meeting held In-Person and Virtually:

<https://us02web.zoom.us/j/84637217720?pwd=i0jdRmf6caJWF9llwaWCjOAe1Hvzlr.1>

or Public Access available at Housing Connect Main Office:
3595 S. Main Street Salt Lake City UT 84115

May 21, 2025

PRESENT:

Phil Bernal: Chair
Christine Nguyen: Vice Chair (virtual): left at 1:00 p.m.
Mike Akerlow: Commissioner
Wendy Leonelli: Commissioner (virtual)
Erin Litvack: Commissioner (virtual)
Jamie Ramos: Commissioner (virtual): left at 1:00 p.m.

EXCUSED:

Kat Johnson: Commissioner

STAFF PRESENT:

Janice Kimball: Chief Executive Officer (virtual): left at 1:00 p.m.
Fernando Aniban: Chief Financial Officer
Marni Timmerman: Chief Operating Officer
Mike Kienast: Chief Asset Officer
Ilez Brady: HCV Director
Kirk Moorhead: Real Estate Development Director
Tiffany Clements: Regional Property Manager (virtual)
Tom Biesinger: Comptroller
Lori Berry: Executive Administrator

GUESTS:

Melanie Mitchell: Attorney, Salt Lake County District Attorney's Office

WELCOME

The May 2025 Housing Connect Board of Commissioners Meeting was held on Wednesday, May 21, 2025, and commenced at 11:32 p.m. Chair Phil Bernal facilitated the meeting.

- Chair Bernal welcomed everyone.

GUESTS/PUBLIC COMMENT

- Chair Bernal welcomed Melanie Mitchell from the Salt Lake County District Attorney's Office who will present updates regarding the Utah Open Meeting Law and its requirements.

OPEN MEETING LAW

- Melanie Mitchell welcomed everyone to the Open Meetings Training. Attorney Mitchell started off by stating she is the attorney who works with the Housing and Community Development as well as the Office of Criminal Justice and Homelessness; it's nice to come to one of your (Housing Connect's) meetings.

If we all remember right, this training also works for GRAMA in that we are all here to do the public's business, and it works best if we take our actions openly and deliberately, so the public knows what's happening with our government. There weren't a lot of changes this legislative session, none that really dealt with us.

- The Legislature updated the role of electronic meetings. And streamlined meetings, updating definitions, changes to anchor location, adding roll call protocols, as well as modifying "meeting" and "quorum" definitions and added "relevant matter". A meeting is a public body with a quorum that is convened by

an individual who has the authority to do so in the manner in which they're required to convene it, and it is for the express purpose for that body to either receive public comment about a relevant matter, which is a new definition, deliberate about a relevant matter, or take action about a relevant matter. A public body is any administrative, advisory, executive, or legislative body created by constitutional rule, statute, or ordinance, consisting of two or more individuals either dispersing, expending, or are in whole or in part, supported by taxpayer funds and are vested with the authority to do the public's business.

- What is a relevant matter now: the new definition to try and get away from having to decide if you're socially meeting when you meet up with members of your board. It does matter within the scope of authority of the public body. And definition of quorum is simplified, being when you have the majority of the membership, unless it is defined differently in the bylaws. Please see the full presentation (attached to these minutes) of the Updates and Changes to Open Meeting Law.
- CEO Kimball asked attorney Mitchell how Closed Sessions are handled as Housing Connect discusses real estate often. Attorney Mitchell replied if you are going to have a Closed Session, you reference it in your agenda; it can only be closed from inside a regular meeting. You need to take a vote to go into a Closed Session; however, you cannot take a final vote in a Closed Session. You would need a separate recording; if you could stop the Open Session recording and start a recording for the Closed Session, that is most efficient. When finished, the Closed Session votes to close that session and re-start the open session.

ACTION ITEMS

Adoption of April 2025 Housing Connect Board of Commissioners Meeting Minutes 04.16.25:

- Chair Bernal asked if everyone had a chance to review the Board Minutes of April 16th. There were no changes or comments. Vice-Chair Nguyen moved to approve the minutes with no changes and Commissioner Ramos seconded the motion. All Board members present (Chair Bernal, Vice-Chair Nguyen, Commissioners Akerlow, Leonelli, Litvack, and Ramos) voted In Favor of accepting the minutes of the April 2025 Housing Connect Board of Commissioners; none opposed. The motion is passed, and the April 2025 minutes are accepted.

Resolution #2025-1126: Public Housing Admissions and Continued Occupancy Policy (ACOP) Updates

- Regional Property Manager Clement presented the ACOP Updates.
 - HUD has made changes to the ACOP. Many of the changes and updates are to the wording HUD regulations. The Board memo details the key changes. Throughout all the chapters, there have been changes made to grammar, spelling, sentence structure and punctuation, corrections, and restructuring for clarity. Several sections and paragraphs throughout have had some changes in verbiage to provide clarity; however, they are still applied to the program in the same manner. Language was changed to "HUD published thresholds" and specific amounts were removed as those will be changing from year to year.
 - HUD has added email as an accepted form of communication from applicants, residents, and from the PHA. Updated PIH notices and CFR references were changed to the most current and updated samples and usable forms were updated with the correct HUD website, as that had some changes. For the specific changes to the ACOP, please see the Board Memo with ACOP Updates attached to the Board meeting minutes.
 - Regional Property Manager Clement opened for questions. Commissioner Litvack asked Regional Property Manager Clement to repeat the piece on utilities; Clement said, Over Income families are not qualified to receive a utility allowance.
 - The ACOP updates are defined as we must vote on and accept the changes; there is not an option to agree or not agree with pieces of the ACOP; its changes are as directed by HUD.
 - Chair Bernal asked for a motion to accept Resolution #2025-1126. Commissioner Akerlow motioned to approve Resolution #2025-1126; Commissioner Litvack seconded the motion. All Board members present (Chair Bernal, Vice-Chair Nguyen, Commissioners Akerlow, Leonelli, Litvack, and Ramos) voted In Favor of accepting Resolution #2025-1126, ACOP updates. Resolution #2025-1126 is passed and is accepted. Regional Property Manager Clement thanked the Board and exited the meeting.

Resolution #2025-1127: Housing Choice Voucher (HCV) Increase of Project-Based Vouchers (PBVs) at Kelly Benson Apartments:

- HCV Director Brady presented.
 - The Housing Choice Voucher department is requesting approval to increase the Project-Based Vouchers at Kelly Benson Apartments (KBA) with 11 additional units. This is similar to the proposal we made in April for Grace Mary Manor. It wasn't brought up at that time as we were still reviewing options for Kelly Benson. We would like to add these units as they become vacant and add the rest of the occupied units effective July 1, 2025.
 - An important piece to note is these units are currently supported with project-based rental assistance through the Continuum of Care (COC) program. The COC program is ending, thus switching these vouchers to the HCV Department. It is important to note if we allowed the subsidy to lapse, this would result in tenants transitioning from a subsidized unit to one that is unsubsidized, and they would lose their chronically homeless designation and would no longer be eligible to transfer to another permanent supportive housing property. This will ensure all households can remain living in their current unit and will allow them the flexibility to move from the property in the future if they choose to do so. We have reviewed our financials for the year and are confident there is enough funding to cover these additional 11 units; this is allowable within our policies and HUD regulations.
 - Chair Bernal asked if there are any questions. There are no questions. Commissioner Litvack made the motion to approve Resolution #2025-1127; Commissioner Akerlow seconded the motion. Chair Bernal called for a vote. All Board members present (Chair Bernal, Vice-Chair Nguyen, Commissioners Akerlow, Leonelli, Litvack, and Ramos) voted In Favor of accepting Resolution #2025-112, Increase of Project-Based Vouchers at Kelly Benson Apartments. Resolution #2025-1127 has passed and is accepted.

Monthly Financial Report

- Chair Bernal introduced our monthly financial report. CFO Aniban started the presentation.
 - From March end to April end, we have increased our cash balance and total reserve by ~\$5 million. The \$5 million was largely contributed with the closing of the 44 North project. The \$5 million is broken down into ~\$2.3 million in terms of reimbursement and cost of the land we put into the project and the reimbursement of pre-development cost of ~\$800,000. We consider this restricted (internally) so we do not use the \$2.3 million for other purposes. Our operating reserve is close to \$4.8 million.
 - Quarter 1 RAD reports: The purpose of RAD is to maintain sustainability of the project and the Board of Commissioners, through our Finance department, is required to track the operations of our converted projects. The governance is to make sure it's being looked into on a regular basis. It is to prove the right conversion projects are working and if it is not working, HUD can assist in terms of making sure it will work. There are options available in case the project is not sustaining itself. We have converted over 264 units of Public Housing into RAD spread over 6 projects. Of the properties we have, two of them are LLCs right now, four are still under Housing Connect or Housing Opportunities, Inc. (HOI). We are complying in terms of the deposit requirement, and we have until the end of the year to catch it up. We are tracking all the LLCs, ensuring they are regularly complying with the monthly deposits, and the rest (being under Housing Connect or HOI), we haven't deposited for the past three months, but we will catch up; we have until the fourth quarter of 2025 to do so. That's one item we hope will be streamlined and we will be working on it for the next six months to make sure we are regularly complying with the requirements. Commissioner Akerlow asked, if we stagnate due to a recession, what does that mean for our bottom line? CFO Aniban replied, the contract plan adjusts. There's an all cap, we call it Operating Cost Adjustment Factor in short, and in layman's terms the Inflation Factor, added to contract rents every month. And this contract rent does not reflect the market trend. Commissioner Akerlow reiterated, if our rents don't increase, are we okay? CFO Aniban, it will not stagnate the contract rent. It's always increasing, basically because of that adjustment every year. Director Brady pointed out the client's income is not tied to the rent increase on these Project-Based, or RAD, properties. COO Timmerman added, but when the market is high, and we did not predict rents would go so high, and we would have to be covering a larger portion of that half, that is what leads to shortfall in the RAD properties. CEO Kimball also added, these are

different than tax credits. If we hit a recession and the income levels drop, then we could see a rent drop in our LIHTC units. CFO Aniban said, as there are no more questions on the first two points, we will proceed to the monthly Financial Report and passed presenting to Controller Biesinger.

- Financial Report:
 - Controller Biesinger started off with our Consolidated Entities. We had a \$612,000 net cash gain, which is \$729,000 over what was budgeted; overall, we've had a healthy first quarter. Please refer to the March 2025 Financial Report in your Board Book.

CLOSED MEETING

- Chair Bernal said, our next item on the agenda is a Closed Session, and I need a motion to go into the Closed Session to discuss a real estate opportunity. Vice-Chair Nguyen made the motion to go into a Closed Session; Commissioner Ramos seconded the motion. All Board members present (Chair Bernal, Vice-Chair Nguyen, Commissioners Akerlow, Leonelli, Litvack, and Ramos) voted In Favor of moving into a Closed Session.
- Chair Bernal asked for a motion to close the Closed Session. Commissioner Ramos made the motion to close the Closed Session and move back to the open Board of Commissioners meeting; Commissioner Akerlow seconded the motion. All Board members present (Chair Bernal, Vice-Chair Nguyen, Commissioners Akerlow, Leonelli, Litvack, and Ramos) voted In Favor of closing the Closed Session and moving back into an open meeting.

FEDERAL FUNDING DISCUSSION

- CEO Kimball opened the Federal Funding discussion; I think everyone is aware of this. What we're hearing from the administration is they are very interested in block granting the housing programs to the states to run; that would include Public Housing; Section 8; Continuum of Care; CDBG, and all of that. This is concerning for a number of reasons and we will actively work with legislators to resolve. The other piece we are hearing is message points around who they want to serve, and how they want to serve them. The administration is stating they do not want to serve any mixed families; mixed families are defined as having an individual in the family who is not documented, so that could be someone going through their citizenship process. Just so you know, we do not spend any money on those individuals. We pro-rate rent for those families (if there are four members in the family and one is undocumented, the family gets three-quarters of rent assistance). The second piece we are hearing is they want to do term limits for non-elderly, non-disabled households – this looks to be 29% - 30% of who we serve. The term limits would be two years, which we know in our market, wages have not kept pace with housing costs and are problematic. And we're hearing they also want work requirements.
- We're watching that in terms of how we're preparing as an agency, where our biggest risk factor is around the Housing Choice Voucher program. We are cautiously monitoring lease up for HCV. The reason behind this is we're hearing in 2026, we're expected to see significant cuts, and we don't want to be in a situation where we have to take people off the program.

CEO REPORT

- CEO Kimball has just a couple of things: we've received an update from our local field office regarding the merger with the West Valley City Housing Authority and it's passed their review; and I believe it's passed the MTW review. It's now with the voucher management system for their review. Their best guess on when we will hear back is in June.

CEO Kimball continued, I did want to let the Board know I am working with the State's Strategic Housing Plan team, and I'm no longer on the Commission for Housing Affordability.

PROPERTY OF THE MONTH

- Bud Bailey Apartments will be presented by CAO Kienast.
 - Bud Bailey Apartments (BBA) is performing very well. The operational and financial metrics are in good shape based on the quarterly incentive package for the managers and regional managers. I think the majority of the budget variances are caused by the HVAC issues we're seeing. And I would like to give a quick kudo to Sydney Atkinson, who is the Property Manager at Bud Bailey; she has been with the agency just a bit over three years now and is doing an amazing job, as well as Regional Property Manager Whitney

Brickey and Director of Property Management Jeanette Hernandez. Bud Bailey is a service enriched community. The Bud Bailey Apartments continue to deliver measurable benefits to both residents and the surrounding community, and that includes housing stability.

- I think we all agree the Bud Bailey Apartments is a success story on the operational side; it is a different story on the HVAC side. We're going to try and work that out. We've seen the issue with our HVAC system here continue to grow. We've gone through different types of contractors and analysis, and we keep landing back in the same spot – the original installation was poorly done, the system was configured improperly, and there is contamination from construction still in the system and fouling those compressors. The system, design flaws, outdoor units were installed in an incorrect sequence, disrupting refrigerant flow, and oil return. Six of the 14 indoor EEVs are leaking and sending liquid refrigerant back to the compressors. Add to that the piping issues and access challenges. At this point, we should look at bringing in some type of project specialist. And it will probably exceed \$2 million. And those are the next steps at this point: Engage a Mechanical/HVAC Project Specialist and Perform System Reconfiguration and Repairs.
- Real Estate Development Director Moorhead said one of the issues we face is with our nine percent tax credit deals. We need to follow the Enterprise Green Community Standards which have strict requirements from an energy-efficiency standpoint, which unfortunately does not allow you to have a simple system.

COMMISSIONERS' TIME

- Chair Bernal pointed out the sheet on properties and location, overlaid with where our vouchers are in use. He went on to point out the FUP notification in the Board Book. Anything else is self-explanatory; please send any questions in and it'll be addressed by the appropriate department.

REAL ESTATE DEVELOPMENT REPORT

Director Moorhead presented: he asked if there are any questions on the Development report he submitted. I think the written report is sufficient.

- New City Plaza: we hope to have our HVAC system once again totally resolved. It's being tested today.
- Granger Apartments:
- 44 North:
- Kearns Project:
- Parkhill: the Parkhill RFP went out on Friday (May 16th).

ADJOURN

- At 1:08 p.m., Chair Bernal asked for a motion to adjourn. Commissioner Akerlow motioned to adjourn. It was seconded by Chair Bernal and All Board members present (Chair Bernal, Commissioners Akerlow and Leonelli) voted In Favor of Adjournment; none opposed.
- The Housing Connect Board of Commissioners meeting is Adjourned.

Respectfully submitted by Executive Administrator Lori Berry.