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SIOUX FALLS HOUSING AND REDEVELOPMENT COMMISSION
REGULAR MEETING
630 S. MINNESOTA AVE, SIOUX FALLS, SD
TUESDAY, DECEMBER 9, 2014 7:30 AM

AGENDA

1. CALL TO ORDER/ROLL CALL
2. APPROVAL OF MINUTES OF OCTOBER 28, 2014 (Motion)
3. MONTHLY REPORTS: (Motion)
 - a. Financial
 - b. Occupancy
 - c. Family Self-Sufficiency
4. SEMAP CERTIFICATION RESOLUTION (Approved via email vote)
5. GROUP HEALTH INSURANCE RENEWAL (Motion)
6. EMPLOYEE PERFORMANCE EVALUATIONS (Motion)
7. TRAVEL REQUEST (Motion)
8. EXECUTIVE DIRECTOR'S REPORT
9. OTHER BUSINESS (as needed)
10. REVIEW OF SDCL 11-7
11. EXECUTIVE SESSION

Next meeting date: January 27, 2015

NOTICE: Upon Request, accommodations for meetings will be provided for persons with disabilities. Please contact the office at 332-0704 (Voice) or 332-0256 (TDD) 24 hours in advance of the meeting.

Sioux Falls Housing and Redevelopment Commission
630 S. Minnesota, Sioux Falls, SD
Regular Meeting
December 9, 2014

Commissioners

Present: Jeremy Keckler, William Earley, Harriet Scott, and James Wiederrich

Commissioner

Absent: John Peckham

Others

Present: Shireen Ranschau, Dianne Hovdestad, Vernon Kreun, Ramona Muirhead,
Donna Rollag, and Les Kinstad,

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:30 a.m.

APPROVAL OF MINUTES OF October 28, 2014

Chairman Keckler called for a motion to approve the minutes of the October 28, 2014 meeting. Commissioner Wiederrich made a motion to approve the Minutes. Commissioner Earley seconded the motion. The motion passed, Yeses, 4, Noes, 0.

FINANCIAL REPORT

Vernon presented the unaudited Financial Report for the year ending September 30, 2014.

Vernon explained the balance sheet for the miscellaneous programs: Shelter Plus Care, HOPWA, CD HOME, Mod Rehab and New Construction. Vernon said he broke down the amounts Due From SFHRC and Due To SFHRC. Vernon explained the income statement for the miscellaneous programs.

Vernon stated the balance sheet for Public Housing has a total of unrestricted cash in the amount of \$199,404 which has been re-classed. \$153,250 is in the unrestricted net position. The income statement for Public Housing shows a turnaround in net dwelling rental fees from a negative last year to \$104 this year. The maintenance accounts for materials and contracts are over budget due to renovation of vacant houses. After depreciation, we have a Y-T-D gain of \$9,721.

Vernon reviewed the balance sheet for South Sycamore Estates. There is a negative unrestricted net position which is gradually decreasing. Tax and insurance reserves are restricted cash. The income statement for South Sycamore estates shows zero vacancies for total revenue at 105%. Expenses were up by \$1,000. The Y-T-D gain is \$17,832.

Vernon explained the balance sheet for the Housing Choice Voucher program. The restricted cash is in the amount of \$618,819 representing net restricted position of \$614,314 which is an increase of \$217,000 from last year. On December 1 HUD took \$600,000 from net restricted. There is still \$4,505 of Accounts Payable HUD from an old program that HUD hasn't closed yet. The income statement shows we are at 107% of the budget for tenant services wages because of overtime. We received more in admin fees than anticipated and we also received more HAP funds so revenue was at 101%. The Y-T-D gain is \$98,356. Discussion followed.

Vernon reviewed the Family Self-Sufficiency balance sheet. The net restricted position shows a negative amount of \$203 for the special needs fund. In the income statement, the total revenue is at 99% of budget. Total expenses are at 95% of budget. The Y-T-D gain is \$7,498. Discussion followed.

Vernon explained the balance sheet for the General Operating fund. The net restricted cash is in the amount of \$3,714 – United Way Security Deposit Assistance. He reviewed the income statement. Both total revenues and total expenses were at 97%. The depreciation gain was \$75,218.

Vernon reviewed the balance sheet for the Consolidated account. An Elimination Entry column was added to show the Due To and Due From entries were eliminated. The total net position is in the amount of \$3,181,787. Vernon then explained the income statement. The dwelling rentals is at 108% of the budget which included rents for South Sycamore Estates, AHS, public housing and the housing choice voucher program for an end of the year space allocation. Total revenue is at 101%. Some operating expenses are over 100% of the budget; however, total expenses are at 95%. There is a depreciation expense of \$63,224. The Y-T-D gain is in the amount of \$208,625. Discussion followed.

OCCUPANCY REPORT

Dianne Hovdestad presented the Occupancy Report. There is a large increase in HAP voucher lease ups from October to November – 1,689 to 1,800. She presented a Section 8 Housing Choice Voucher recap for the calendar year 2014 and reviewed the numbers. Discussion followed.

Dianne and Shireen updated the Commission on the status of the Public Housing fire. There is a large price difference between State Farm's estimate and the estimate from a contractor. State Farm's bid was \$62,015 and the bid from the contractor was approximately \$80,000. Another estimate is coming from a second contractor. Discussion followed. Dianne also stated the auditors issued some comments on the file reviews but there were no findings.

FAMILY SELF-SUFFICIENCY REPORT

Ramona Muirhead presented the Family Self-Sufficiency report. HyVee's annual fundraiser, Operation Helpful Smile ends today, December 9. This money is used for the Special Needs fund. Also, FSS is preparing for the HUD Coordinator grant application and the United Way application.

A motion was made by Commissioner Wiederrich to accept the monthly reports. Commissioner Scott seconded the motion. The motion passed, Yeses, 4, Noes, 0.

SEMAP CERTIFICATION RESOLUTION (Approved via email vote)

The Resolution for the SEMAP Certificate was approved via an email vote and is made a formal part of the Minutes. Shireen said she has already been notified by HUD that we received a High Performer score of 104%.

GROUP HEALTH INSURANCE RENEWAL

Shireen provided updated information from Howalt McDowell regarding our group health insurance plan which is up for renewal on January 1, 2015. There will be an increase if we remain with the \$500 deductible and a lesser increase with a \$1,000 deductible plan. Rates are based on age only. Shireen handed out information on the plan options. Discussion followed. Commissioner Wiederrich made a

motion to keep the plan the same as 2014. Commissioner Scott seconded the motion. The motion passed, Yeses, 4, Noes, 0.

EMPLOYEE PERFORMANCE EVALUATIONS

Commissioner Earley made a motion to approve the Employee Performance Evaluations and merit increases. Commissioner Scott seconded the motion. The motion passed, Yeses, 4, Noes, 0.

TRAVEL REQUEST

Shireen stated NAHRO's annual legislative conference in Washington, DC will be held on March 15-18, 2015. She is requesting approval for Dianne Hovdestad to attend this conference so she can start watching for airfare bargains and book her flight. Shireen is also requesting approval for herself or another staff person to attend the conference. Estimated travel costs were discussed. Director Wiederrich made a motion to approve Dianne and one additional staff person to attend the NAHRO meetings and the travel costs. Commissioner Scott seconded the motion. The motion passed, Yeses, 4, Noes, 0.

EXECUTIVE DIRECTOR'S REPORT

Shireen stated she attended South Dakota's annual housing conference in October. Craig Lloyd won the Friend of Housing award. Shireen reviewed the sessions she attended. Les Kinstad also attended the conference. There was discussion about housing studies and updating a housing plan for the community.

Shireen talked about the Hunger and Homeless Awareness Conference she attended in November. She passed out information regarding economic classes. While lower and higher economic classes are increasing, there is a shrinking middle class.

Shireen said she has written to HUD and is researching how to get the fair market rents increased.

Shireen also passed out the FY 2014 SD Housing Opportunity Funds Award map. There will be \$2.7 million available in 2015.

Les Kinstad announced there will be \$1 million in funding for affordable housing available from the City of Sioux Falls. The deadline is January 15, 2015.

REVIEW OF SDCL 11-7

Due to time constraints, we did not continue to review SDCL 11-7.

OTHER BUSINESS

The next meeting is scheduled for January 27, 2015.

Chairperson Keckler moved the meeting into Executive Session to discuss collective bargaining negotiations.

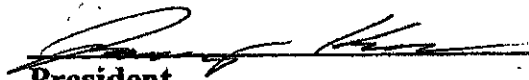
Chairperson Keckler moved the meeting out of Executive Session.

The meeting was adjourned.

CERTIFICATE OF APPROVAL OF MINUTES

MINUTES OF: October 28, 2014

APPROVED ON: December 9, 2014



President

ATTEST:



Secretary

Sioux Falls Housing and Redevelopment Commission
630 S. Minnesota, Sioux Falls, SD
Regular Meeting
January 27, 2015

Commissioners

Present: Jeremy Keckler, Harriet Scott, and James Wiederrich

Commissioner

Absent: William Earley and John Peckham

Others

Present: Shireen Ranschau, Vernon Kreun, Ramona Muirhead, Donna Rollag,
and Paul Hess

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:30 a.m.

APPROVAL OF MINUTES OF DECEMBER 9, 2014

Chairman Keckler called for a motion to approve the minutes of the December 9, 2014, meeting. Commissioner Wiederrich made a motion to approve the Minutes. Commissioner Scott seconded the motion. The motion passed, Yeses, 3, Noes, 0.

FINANCIAL REPORT

Vernon presented the unaudited Financial Report for the month ending December 31, 2014. There was a large decrease in cash. \$599,993.18 was transferred out of the voucher money market account into the General Operating account. This was used to cover the close to \$700,000 that HUD shorted the December payment used to cover HAP payments.

Vernon explained the balance sheet for the miscellaneous programs: Shelter Plus Care, HOPWA, CD HOME, Mod Rehab and New Construction. Most of the account receivable amounts were received in January. Discussion followed. Vernon then reviewed the income statement for the miscellaneous programs. He explained the contract earned revenue goes directly to the General Fund.

Vernon previewed the balance sheet and income statement for the Public Housing program. The cash restricted account is made up of the insurance money received for the fire and hail damages and tenant security deposits. The income statement for the Public Housing program shows the tenant services wages and tenant services benefits are over budget. The expenses are under budget at 20%. There is a Y-T-D gain of \$177.

Vernon said the balance sheet for South Sycamore Estates is on track. In the income statement, the total revenue is at 26% of the budget. The annual auditing fee has been paid showing that line at 90% of budget. The maintenance contracts and materials accounts are over budget due to snow removal and electrical and plumbing repairs. There is a cash decrease in the amount of \$898 caused by the auditing expense.

Vernon explained the balance sheet for the Housing Choice Voucher program. There is a (Due to) From SFHRC to the General fund in the amount of \$323,330. This is due to the \$700,000 HUD shorted us in December. This put the net restricted assets in a deficit position. Discussion followed. Vernon has

requested that HUD advance us additional funds. Vernon said in the income statement, he has added two new columns – HCV Restricted, which is the HAP fund and the HCV Unrestricted column which is the administrative part of managing the Housing Choice Voucher program. Total revenue is at 18% of the budget. Total expenses are at 25% of the budget. The Y-T-D loss in the unrestricted column is \$23,729. Discussion followed.

Vernon explained the income statement for the Family Self-Sufficiency program. Total revenue is at 25% of the budget. Total expenses are at 20% of the budget. There is a Y-T-D gain of \$9,353 which is \$7,500 better than anticipated.

In the General Operating fund, the Accounts Receivable – Other, shows the amount at \$38,349. Of this amount, \$37,484 was transferred from AHS in January. The income statement shows total revenue at 24% and total expenses at 21%. The Y-T-D gain is \$26,185.

Vernon explained the income statement for the Consolidated account. The total revenue is at 19% of the budget. The total expenses are at 24%. There is a Y-T-D gain of \$20,265.

OCCUPANCY REPORT

Shireen presented the Occupancy Reports. There is one vacancy at South Sycamore Estates. The unit will be rented on February 1, 2015. Shireen explained about a discrepancy in the November and December 2014 Section 8 Vouchers Occupancy report. There was a data entry error which has been corrected. She provided a corrected occupancy report for the calendar year 2014. We finished the year at 89%. Shireen said there are three vacant Public Housing units. One is due to the fire, one tenant gave notice and one tenant skipped without notice.

FAMILY SELF-SUFFICIENCY REPORT

Ramona presented the Family Self-Sufficiency report. She is working on the HUD annual progress report. The United Way grant is due on February 12, 2015. The United Way budget has not been completed yet. Ramona will send an email when the request amount has been determined. Formal approval can be done at the February meeting. Also, Ramona said she has been working on setting up workshops.

A motion was made by Commissioner Wiederrich to accept the monthly reports. Commissioner Scott seconded the motion. The motion passed, Yeses, 3, Noes, 0.

SURPLUS PROPERTY RESOLUTION

Shireen presented the Resolution to allow surplus personal property to be disposed of. She provided a list of the items. Commissioner Wiederrich made a motion to approve the Resolution. Commissioner Scott seconded the motion. The motion passed, Yeses, 3, Noes, 0.

EMPLOYEE PERFORMANCE EVALUATION

Commissioner Scott made a motion to approve the Employee Performance Evaluation as presented. Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 3, Noes, 0.

EXECUTIVE DIRECTOR'S REPORT

Shireen said today is the Nationwide Homeless Count Day. The Homeless Advisory Board is coordinating the count in Sioux Falls. Also, Project Connect is being held today at the Salvation Army from 9:00 a.m. to 1:00 p.m. Sioux Falls Housing has a booth along with many other agencies to provide assistance.

Shireen informed the Commission that we received funding in the amount of \$315,177 from the Continuum of Care program for renewal of Shelter Plus Care. This money will help 44 individuals. Discussion followed.

Shireen provided an update about the Public House fire at 2023 S. Grange: On December 8, 2014, we received a Notice and Order from the City listing four items. We completed three of the items. The remaining item was to start repairing the structure on December 24 and complete the repairs by January 21, 2015. She has filed an appeal with the Property Maintenance Board of Appeals. The hearing will be February 4, 2015

Shireen sent a letter to HUD asking for direction and information regarding this situation. She received a reply on January 26 detailing our options with the house. If we repair the house, we need to go through the normal procurement process; hire an architect, go through a formal bid process and hire a contractor.

Shireen needs a decision from the Board to either repair the damages; we have estimates from \$60,000 to \$80,000, or rebuild the entire house which could cost approximately \$130,000. Another option is to tear down the house, sell the lot and buy another lot. Shireen is recommending repairing the damages. Discussion followed. The decision was made to repair the house and Shireen should inform the City regarding our decision and the federal requirements we have to follow.

Shireen said in further research done on the decreased fair market rents, it was found that data was used by zip codes. There was even data for zip codes that do not have residential housing. They are zip codes for a specific business. Discussion followed.

Shireen has been notified that the City has received complaints from the public about properties owned by SFHRC and AHS. She handed out a breakdown of complaints for calendar years 2013 and 2014. If the complaints are not taken care of, citations are issued. SFHRC and/or AHS pay the citations and the tenants have to reimburse us. The number of complaints increased in 2014 as staff was busy renting up new buildings and weekly drivebys didn't happen. A plan is in place for a part-time employee to do drivebys after it snows and each week throughout the year. Shireen will contact the City and let them know what we are doing to eliminate these complaints.

Shireen provided an update on Affordable Housing Solutions: In the last year, five houses were completed and three have been sold. All the multi-family units have been completed. We did have problems with the contractor for Spring Pointe and Highland Five and he was fired in November. These last two projects are complete except for exterior work. The Affordable Housing Development Director has been taking care of hiring other contractors to finish the work. Spring Pointe is fully occupied and Highland Five has two vacancies. An application has been submitted for the City's affordable housing funds for future projects. Plans are being made to build three to four single family houses this year.

Vernon has submitted an application for the operating subsidy grant due January 26. He requested \$125,000 for public housing.

REVIEW OF SDCL 11-7

Due to time constraints, we did not continue to review SDCL 11-7.

OTHER BUSINESS

The next meeting is scheduled for February 24, 2015.

Chairperson Keckler moved the meeting into Executive Session to discuss labor negotiations and a personnel matter.

Chairperson Keckler moved the meeting out of Executive Session.

The meeting was adjourned.

CERTIFICATE OF APPROVAL OF MINUTES

MINUTES OF: January 27, 2015

APPROVED ON: February 24, 2015



Chairperson

ATTEST:



Secretary

Sioux Falls Housing and Redevelopment Commission
630 S. Minnesota, Sioux Falls, SD
Regular Meeting
February 24, 2015

Commissioners

Present: Jeremy Keckler, William Earley, Harriet Scott, and James Wiederrich

Commissioner

Absent: John Peckham

Others

Present: Shireen Ranschau, Vernon Kreun, Ramona Muirhead, Donna Rollag,
and Paul Hess

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:30 a.m.

APPROVAL OF MINUTES OF JANUARY 27, 2015

Chairman Keckler called for a motion to approve the minutes of the January 27, 2015, meeting. Commissioner Wiederrich made a motion to approve the Minutes. Commissioner Scott seconded the motion. The motion passed, Yeses, 4, Noes, 0.

FINANCIAL REPORT

Vernon presented the Financial Report for the month ending January 31, 2015. There was no change in cash between December 31, 2014 and January 31, 2015. There is no longer a voucher cash line as the program doesn't have any cash. It is now reflected in General Operating fund. The reduction in the general operating cash is due to normal fluctuation in operations.

Vernon reviewed the miscellaneous programs. All billings are current. In the income statement the Admin fee account shows we are doing well. There is an increase in the rates for the Housing Choice Voucher program. Mod rehab will receive between \$75 and \$80 more in admin fees.

Vernon reviewed the balance sheet for the Public Housing program. He noted that the cash restricted account of \$51,115 and the other current liabilities account of \$45,571 are the insurance proceeds we received to repair the fire and hail damage. The tenant services/wages account is over budget due to a three-payroll month in January. Vernon pulled down all of the FY 2014 capital funds. The Y-T-D net gain is \$34,708 which is \$7,267 ahead of budget. Discussion followed.

Vernon said the balance sheet for South Sycamore Estates is on target. The total revenue is at 34% of budget and total expenses are at 40% of the budget. The Y-T-D gain is \$10,966 but there is a cash decrease of \$1,271 due to 100% of the audit cost being expensed. Discussion followed regarding the replacement reserve.

The balance sheet for the Housing Choice Voucher program shows the amount of \$40,532 which is FSS escrow restricted cash. There is a restricted fund transfer of \$771,139 to cover HAP. We did request and received funds from HUD in February and the monthly funding rate was increased. The Y-T-D loss is \$45,189. Discussion followed.

Vernon said the Family Self-Sufficiency balance sheet is on track and the income statement shows a Y-T-D gain of gain of \$8,931. Discussion followed.

The balance sheet for the General Operating fund shows accrued payroll due to a payroll period which ended January 31, 2015. Vernon said total revenues are at 32% of the budget and total expenses are at 30% of the budget. The Y-T-D gain is \$31,454.

Vernon said the Consolidated income statement shows a net gain of \$40,869 which is \$28,676 better than what was budgeted. Discussion followed.

OCCUPANCY REPORT

Shireen presented the Occupancy Report. In the Housing Choice Voucher program, she said at the end of 2014, we were leased up at 89% but spent 93% of the funds allocated. The average HAP increased because of rents. We may not be able to get to 100% this year depending on the funding allocation and reserves. All HAP reserves are held by HUD now. We will be monitoring the funds very closely. Discussion followed. Also, Shireen said we hadn't sent voucher letters in the last month but we are starting to send out letters again. Fifty letters were sent on February 23 and we usually receive a 50% response.

Shireen gave a report about the VASH program. It is at 98% lease up. The VA refers clients to us and we do income qualifications. The VA has approached us stating 3 to 4 vets no longer need case management and would like to receive a regular Housing Choice Voucher to continue with rental assistance. Discussion followed.

There is an increase in HOPWA clients. Previously, we only had clients in Rapid City and Sioux Falls; now we have clients scattered throughout the State.

There are three vacancies in Public Housing – one vacancy because of the fire damage, one vacancy because of water damage and one tenant skipped.

South Sycamore Estates had one vacancy last month; it is now rented. Now, we have received notice of another vacancy.

FAMILY SELF-SUFFICIENCY REPORT

Ramona presented the Family Self-Sufficiency report. The funding application has been completed for United Way and the HUD Coordinator grant annual report submitted. The Childcare license has been renewed. Support groups are starting to meet again once a week.

A motion was made by Commissioner Earley to accept the monthly reports. Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 4, Noes, 0.

UNITED WAY APPLICATION FOR 2016

Shireen passed out pages from the United Way application. We are requesting \$64,793 which is a decrease of \$1,385. We are now receiving \$66,179. We are asking for less because of the changes in the projected wages. Also, we got a new software program which is saving us money. Commissioner Scott made a motion to approve the United Way application in the amount of \$64,793. Commissioner Earley seconded the motion. Commissioner Wiederrich abstained from the voting as he is on the United Way

Board of Directors. The motion was approved, Yeses, 3, Noes, 0. The United Way Impact Team meetings will be scheduled and Shireen will inform the Commissioners about the dates.

PUBLIC HOUSING – CONSTRUCTION NEEDS

Shireen passed out a breakdown of the hail damages. The insurance company wants the work completed by June 1. We received a check for \$53,596 from the insurance company. We can, also, recover \$20,700 once the work is done. Shireen said we will need to hire an architect to put together the bid specification and scope of the work for the hail damage as it's beyond staff expertise. In addition to the hail damage, one house has a basement needing repair due to a wall bowing.

Shireen met with the Property Maintenance Appeal Board on February 4 regarding the fire damaged house at 2023 Grange. At the meeting, she explained the HUD requirements to the Appeal Board. We need to hire an architect after attempting to get three proposals. Then we need to get an environmental review done which includes a historical review. We will have to go through the formal bid process to get bids from contractors. The Appeals Board wants the entire back wall of the house covered with plywood and painted white. The Appeals Board wants the exterior work done the end of August. Discussion followed.

Discussion followed regarding getting contractors in to see the house early before the construction season gets busy. Repair estimates were also discussed. It was suggested to do as much as prep work, reports, pictures, etc. ahead of time. Approvals from the Commissioners can be voted on via email.

EXECUTIVE DIRECTOR'S REPORT

Shireen said we are advertising for a maintenance technician. After the previous maintenance technician resigned, we started using an independent contractor to do maintenance. The workload has increased with more properties and this is no longer feasible.

We have budgeted for another Housing Specialist and an Accounting Assistant but we don't have enough office space. Shireen has spoken with Architect, Jeff Nelson, who re-designed this building when we moved in. His price quote is \$4,000 which provides for conceptual plans, design documents, prepare bids and contract administration. The Board approved proceeding with Mr. Nelson.

Shireen said she will be on vacation March 6 through March 10. Also, she and Dianne will be attending the NAHRO conference in Washington, DC on March 13-18.

REVIEW OF SDCL 11-7

Due to time constraints, we did not continue to review SDCL 11-7.

OTHER BUSINESS

To permanently change the name from Sioux Falls Housing Corporation dba Affordable Housing Solutions to Affordable Housing Solutions, an amendment to the Articles of Incorporation is needed. This name change needs to be approved by the Sioux Falls Housing Board of Commissioners. Commissioner Early made a motion approving this permanent name change. Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 4, Noes, 0.

The next meeting is scheduled for March 24, 2015.

Chairperson Keckler moved the meeting into Executive Session to discuss a personnel matter.

Chairperson Keckler moved the meeting out of Executive Session.

The meeting was adjourned.

DRAFT