

Sioux Falls Housing and Redevelopment Commission
630 S. Minnesota, Sioux Falls, SD
Regular Meeting
July 25, 2017

Present: William Earley, Jeremy Keckler, Jim Wiederrich, John Peckham and James Beddow

Others

Present: Karl Fulmer, Dianne Hovdestad, Vernon Kreun, Lisa Bartell, Donna Rollag Wayne Wagner, Corey Kopp, Les Kinstad, and Brent Tucker

CALL TO ORDER/ROLL CALL

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

APPROVAL OF MINUTES OF JUNE 27, 2017– Regular Meeting

Chairperson Earley called for a motion to approve the minutes of the June 27, 2017, Regular Meeting. Commissioner Peckham made a motion to approve the Minutes. Commissioner Beddow seconded the motion. The motion passed, Yeses, 5, Noes 0.

FINANCIAL REPORT (Vernon Kreun)

Vernon presented the SFHRC financials for the period ending June 30, 2017.

The cash and investments has a net charge of \$(48,431). The decrease in operating cash of \$57,344 resulted from the following: an increase in payroll on June 23, 2017; retroactive increases to April 1 plus incentive pay, a decrease in HCV HAP funds (net restricted assets) \$24,708 and refunded \$14,725 to HUD for CY2015 FSS coordinator grant for excess funds received.

Shelter Plus Care: We are holding billings on two projects. We have \$70,590 in billable costs that have not been submitted to HUD for reimbursement however, they are totally collectible. HOPWA and Bright Futures are current and all receivables are collectible. Mod Rehab projects: There is a net of \$2,617 due to HUD.

Public Housing: There is a (Due To) SFHRC \$(21,206) a decrease of \$4,978 from May 31, 2017. The accounts receivable has a balance of \$8,590 and there are additional maintenance charges.

South Sycamore Estates: There is a ((Due To) SFHRC \$(35,590) which is a decrease of \$1,475 from May 31, 2017.

Housing Choice Voucher-Net Restricted Position: balance decreased \$189,672 which resulted in a Net Restricted Position of \$34,315. The balance will grow since the funding was released.

Family Self Sufficiency: We did refund \$14,725 to HUD for overpayment from the CY2015 Coordinator Grant.

General Operating: There is \$217,556 due from other programs which is a decrease of \$43,333 from May 31, 2017.

Income Statement-Other Comments: The budget is at 75% of the annual YTD budget.

Income Statement-Other Programs: Shelter Plus, HOPWA, Bright Futures, Mod Rehab and New Construction: Administrative fees of \$100,7895 results in \$808 over budget.

Income Statement – Public Housing: Total revenue is at 159% of the budget; total expenses are at 55% of the budget. There is a YTD gain of \$66,619. We received additional insurance proceeds of \$16,445 and the FY2017 PHA capital grant of \$34,091 is at 100% of the budget.

Income Statement-South Sycamore Estates: Total revenue is at \$73 and total expenses are at 83% of the budget. There is a YTD gain of \$10,9012. Vernon noted the non-routine expenses; i.e. concrete work. There is a YTD cash decrease from operations of \$2,411 and an increase in cash of \$1,165 from May,2017.

Income Statement-Housing Choice Voucher: Total revenue is at 73% and total expenses are at 75%. There is a YTD loss of \$(57,060). The funds transfer of \$189,672 resulted from HAP and URB expenditures greater than funds received.

Income Statement-Family Self Sufficiency: Total revenue is at 75% and total expenses are 73%. The Special Needs fund has \$1,257 cash available. Non-operating expenses resulted from installing direct-wired fire alarms. We received a grant from the SD Dept. of Social Services in the amount of \$1,644 to help defray the cost.

Income Statement-General Operating: Total revenues are at 78% and total expenses are 75%. There is a YTD gain of \$22,028. Total operating costs are \$22,028.

Income Statement-Consolidated: Total revenue is at 73% of the budget and total expenses are at 74%. The YTD gain is \$46,316 and there is a YTD variance of \$29,009.

HCV OCCUPANCY REPORT (Dianne Hovdestad)

Dianne reviewed the Occupancy Report for July 2017. Year to date, there have been 142 vouchers issued; 48 voucher holders are searching and 86 have leased up. She stated 60% lease up within 30 days and 23% lease up within 31-60 days.

Dianne distributed a Housing Voucher Program fact sheet and provided an overview. She reviewed the CY 2016 funding and the CY 2017 funding. We have \$6.4 million available from July 1 to the end of 2017. The cost of rental housing in Sioux Falls increased to \$506.49. Discussion followed regarding the difficulty in tenants leasing (criminal background and landlord history). Dianne explained the Section 8 Voucher Program Funding and Performance (FY 2007 – FY 2016 chart). Dianne also reviewed the utilization percentages.

FAMILY SELF-SUFFICIENCY REPORT (Lisa Bartell)

Lisa presented the FSS reports and charts: There are 104 clients under contract, the number of clients employed increased to 64% in July; the average number of children in childcare each night was approximately five each week. Lisa stated the fiscal year escrows has a balance of \$10,228 on June 1, 2017. As of June 1, 2017, the monthly escrow balance is \$33,468.35.

Delbridge and Mattheson Grants – All grant money has been used. 42% of the grant purchased gas vouchers. Also, 58% of the grant purchased textbooks, school supplies, one matriculation fee and one cosmetology license. Lisa stated FSS is working on re-apply for the grant next year.

A motion was made by Commissioner Beddow to approve the monthly reports. Commissioner Peckham seconded the motion. The motion passed, Yeses, 4 (Commissioner Erdrich left the meeting early) and Noes, 0.

AHS PROPERTIES REPORT (Wayne Wagner)

Wayne presented the AHS Properties Report. In 2014, AHS built three houses. Currently, we have 10 under construction; three houses have been sold. The City is giving us additional housing this fall for six houses. The pricing of each house is influenced by SD Housing, Wayne explained appraisals. Houses are listed and sold at appraised value. The homebuyer can also receive \$2,500 down-payment assistance through SD Housing depending on a debt to income ratio. Brent Tucker discussed how AHS targets properties for acquisition. Discussion followed.

Field of Dreams: Wayne said we are working full force for Phase 1. Twelve units will be available for sale in October. \$155,000 is the selling price. The second phase of 14 units will be built next year.

Greenway: The analysis showed there is a need for more units. This will be a tax-credit funded rehab project under development with Lloyd Companies. The Sioux Falls City Council approved our request to rezone the property to allow for removal and replacement with a 3-story building with approximately 39 units. Discussion followed.

Karl updated the Board on South Sycamore project: He received a pro forma from Lloyds last night. He stated he did not like the look of the financials. We need to raise funds or cut costs. Karl said he and Wayne will meet with Lloyds later in the week to crunch numbers. The total budget is \$1.7 million. We need to reduce this cost to \$1.3-\$1.4 million. Discussion followed.

Wayne reviewed Neighborhood Revitalization projects under development on Nesmith, French, and Sherwood with two-story homes and single-family homes.

A motion to approve the AHS Properties report was made by Commissioner Peckham and seconded by Commissioner Beddow. The motion passed, Yeses, 4, Noes, 0.

HUD COMPLIANCE POLICY INITIATIVES

Dianne is reviewing all policies to make sure they are in compliance before the HUD review.

Dianne presented the Enterprise Income Verification (EIV) Security and Procedure Policy information. She explained the EIV database which is HUD's comprehensive on-line system that Public Housing Authorities are required to utilize in verifying various applicant/resident/program participant's

information and income in determining eligibility and rental subsidy. Discussion followed regarding the purpose the EIV system and that procedures are in place to ensure the information in the reports is maintained in strict confidence and accessed on a need to know" basis.

- a. EIV Security Policy
 - i. SFHRC Memo
 - ii. EIV Security Policy
 - iii. Resolution – EIV Security Policy

Commissioner Beddow made a motion approving the Resolution for the Enterprise Income Verification (EIV) Security and Procedure Policy. Commissioner Peckham seconded the motion. The motion passed, Yeses, 4, Noes, 0.

- b. Resolution – Small and Minority Businesses and Women's Business Enterprises: Dianne explained the Policy for Contracting with Small and Minority Businesses and Women's Business Enterprises. She needs approval for this policy to go into effect. Commissioner Beddow made a motion to approve both the Small and Minority Business policy and the Women's Business Enterprises Policy. Commissioner Peckham seconded the policy. The motion passed, Yeses, 4 and Noes, 0.

EXECUTIVE DIRECTOR'S REPORT

- A. Lease-Up Report (AHS properties): SFHRC owns and manages 25 public housing units and South Sycamore Estates; both are 100% occupied. AHS owns 85 total units. On June 21, we had 100% occupancy Spring Centre. The project was still fully occupied in July. Maintenance turns over properties more quickly now. Properties need to be 100% occupied for cash flow. Discussion followed.
- B. South Sycamore Rehab Application (LIHTC): This agenda item was discussed earlier in the meeting.

OTHER BUSINESS

- A. Contract Proposal: Brady Martz – Audit: Vernon reviewed the letter and attachments from Brady Martz's contract. The proposal falls in line with annual increases. AHS statement was included. Some AHS out-of-pocket expenses are allocated to AHS (hotel, travel, etc.) Brady Martz is still less expensive than Eide Bailey. Commissioner Wiederrich made a motion to approve Brady Martz' contract. Commissioner Beddow seconded the motion. The motion passed, Yeses, 5, Noes, 0.
- B. Travel Request – Mia Dummermuth & Nita Mandery: A travel request has been submitted by Mia Dummermuth for approval for her and Nita Mandery to travel to the Rocky AHMA Conference in Denver, Colorado. Anticipated costs were discussed. A motion was made by Commissioner Peckham to approve the travel request. Commissioner Beddow seconded the motion. The motion passed, Yeses, 5 (Commissioner Wiederrich returned to the meeting) and Noes, 0.

- C. Travel Request – Bill Ziegler and LaVonne Van Hove: A travel request has been submitted for Bill Ziegler and LaVonne Van Hove to travel to Tampa, Florida, the week of August 7-12 for a HOPWA conference. Anticipated costs were noted. Commissioner Wiederrich made a motion to approve the travel request. Commissioner Beddow seconded the motion. The motion passed, Yeses, 5, Noes, 0.

Commission went into Executive Session at 8:35 AM.

Commission came out of Executive Session at 8:48 AM.

Notification of Wage Change Authorization: Effective July 21, 2017, the wage for Patricia Bartell will be \$10.487 per hour. This is the wage rate, in accordance with the Collective Bargaining Agreement for the position of Childcare Provider, Step 6. Commissioner Beddow motioned to approve this step Increase. Commissioner Wiederrich seconded the motion. The motion passed, Yeses 5, Noes, 0.

Step Increase – Nicole Hovdestad (Child Care): Lisa stated that Nicole Hovdestad began employment on August 3, 2016 at Step 4 and is requesting approval of a pay increase to Step 5 effective August 27, 2017. Commissioner Wiederrich motioned to approve. Commissioner Peckham seconded the motion. The motion passed, Yeses 5, Noes 0.

Meeting adjourned at 8:52 AM.