

Sioux Falls Housing and Redevelopment Commission

630 S. Minnesota, Sioux Falls, SD

Regular Meeting

August 22, 2017

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

Commissioner Absent: John Peckham

Others Present: Karl Fulmer, Dianne Hovdestad, Vernon Kreun, Lisa Bartell, Donna Rollag
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 JULY 25, 2017-- Regular Meeting

Chairperson Earley called for a motion to approve the minutes of the July 25, 2017, Regular Meeting. Commissioner Wiederrich made a motion to approve the Minutes. Commissioner Beddow seconded the motion. The motion passed, Yeses, 4, Noes 0.

FINANCIAL REPORT (Vernon Kreun)

Vernon presented the SFHRC financials for the period ending July 31, 2017.

Vernon reported that cash is down for July. Total expenditures for the month were \$64,471 greater than June 2017.

Shelter Plus Care Accts. Receivable-HUD: Two of the projects have four months of billable costs, \$93,992 that have not been submitted to HUD for reimbursement. All receivables are collectible.

Mod Rehab projects: There is \$181 due to HUD.

Public Housing: Vernon reported Accounts Receivable – Occupied Tenants which shows \$10,721.

South Sycamore Estates: Vernon reported Accounts Receivable – Occupied Tenants which shows the amount of \$703.

Housing Choice Voucher:

Net Restricted Position: The balance decreased \$182,733 Fiscal YTD resulting in a net restricted position of \$41,255. There is an increase of \$6,940 in July. Unrestricted Net Position: There is a balance decrease of \$82,889 (Fiscal TD loss). The July 2017 loss was \$25,829.

Family Self-Sufficiency: There are no significant changes to report.

General Operating: Line #115622, shows due from other programs, \$428,433. There is an increase of \$69,019 from June 30, 2017; there are no other significant changes to report.

Income Statements

General Comments: The budget is at 83% of the annual YTD budget – 10 months. July 2017 had three payroll periods, therefore, wages and related benefits (FICA) lines are over budget.

Shelter Plus Care, HOPWA, Bright Futures, Mod Rehabs & New Construction: The administrative fees collected of \$111,790 result in \$704 under budget.

Public Housing: Total revenue is at 176% of the budget. Total expenses are at 64% of the budget. There is a YTD gain of \$64,873 with a variance of \$55,394.

South Sycamore Estates: Total revenue is at 82% of the budget and total expenses are at 91% of the budget. There is a YTD gain of \$13,536 and the variance is at a loss of \$(8,612). Monthly rent increases of \$40 per unit became effective June 1, 2017. Maintenance contracts account is over budget YTD by \$3,811. Non-Routine expense is \$12,745 causing the line to be over budget by \$2,069. The YTD cash decrease from Operations of \$2,898 is a decrease in cash of \$487 from June 2017.

Housing Choice Voucher: Total revenue is at 81% of the budget. Total expenses are at 83%. The YTD Loss UNA is \$(82,889) with a variance of \$(57,675).

Family Self-Sufficiency: Total revenue is at 83% of the budget and total expenses are at 85%. There is a YTD loss of \$(2,234). The Special Needs fund has \$961 cash available. All the funds have been disbursed from the SF Community Foundation Grants.

General Operating: The total revenues are at 86% of the actual budget and total expenses are at 85%. There is a YTD gain of \$20,088 with a variance of \$6,454. Property Management YTD has a loss of \$(17,122), an increase in loss of \$3,528 from June 30, 2017. Admin. and other YTD gain is in the amount of \$37,210 and total general operating is at \$20,088.

Consolidated: Total revenues are at 81% of the budget and total expenses are at 83%. There is a YTD gain of \$14,592 with a \$(4,641) variance. There is a decrease in YTD gain of \$31,724 for July 2017.

HCV OCCUPANCY REPORT (Dianne Hovdestad)

Dianne stated we are contacting applicants on the waiting list which is still four years long. We have issued 164 vouchers since the first of the year and 65 are still searching. Appointments have been made through September. There are three VASH vouchers available and four are out searching. One Public Housing unit is vacant. The tenant was going to be evicted for nonpayment of rent. The unit is full of bugs and it will take six weeks to get the extermination completed. Tenant had been cited by the City for junk in the yard. We are looking for the tenant to get reimbursed for fines.

FAMILY SELF-SUFFICIENCY REPORT (Lisa Bartell)

Lisa presented and reviewed the FSS report and charts. Two clients are graduating from the program. Discussion followed.

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

AHS FINANCIALS – 7/31/17 (Vernon Kreun)

Vernon reviewed the AHS financials dated July 31, 2017. He specifically noted the columns: General Operating, Temporarily Restricted, and AHS Consolidated and briefly explained the amounts in each column.

Field of Dreams: Vernon stated there is a YTD gain of \$147,563 and a YTD loss from operations of \$(153,224) in the Temporarily Restricted column.

Vernon then reviewed the income statement for the Consolidated account which shows total income at 67%; total expenses at 83% and a YTD gain of \$19,777 with a variance loss of \$(93,911).

Vernon reviewed the Spring Centre Apartments Income Statement: The net income is at 59% of the budget and total expenses are at 70%. The Net loss from Operations is \$(5,251) with a variance loss of \$(16,527). There is a net loss of \$(83,824) and a decrease in cash of \$11,912. Discussion followed regarding Apartment #105.

AHS PROPERTIES REPORT (Karl Fulmer)

Karl stated there are four homes under construction and two homes have sales pending. Field of Dreams is still under construction. Karl then reviewed the August Applications for funding to SD Housing – Nesmith, Sherwood Place, Field of Dreams-Phase II, Greenway Apartments and South Sycamore Estates. Discussion followed.

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

HUD COMPLIANCE POLICY INITIATIVES

- A. Additional meeting prior to September 11, 2017: Karl stated the SFHRC needs an additional meeting prior to September 11, 2017 to discuss last-minute policy changes. We would like to schedule the meeting before the HUD auditors are in the office. We can have the meeting at the office or do a teleconference call to discuss two-three policies and the Admin. Plan. The meeting was scheduled for Thursday, September 7 at 7:30 a.m. with a teleconference call. The Commissioners were also asked to attend the pre-meeting with the auditors on September 12 at 9:00 a.m. at the office.

EXECUTIVE DIRECTOR'S REPORT

- A. Lease-up Report (all AHS properties; public housing and South Sycamore): Karl reported the AHS properties have stabilized over time. The management fees, which range from 7% to 9.2% will be revised in the budget presented at the September meeting. Karl noted vacancies were still at an effective 0%. Public housing has one vacancy. South Sycamore Estates is fully occupied and had a June 1 rent increase. Discussion followed.

OTHER BUSINESS

- A. Travel Request – Dianne Hovdestad: Dianne presented her travel request for the NAHRO National Conference in Pittsburgh on October 26-30, 2017. A motion was made by Commissioner Wiederrich to approve the request. Commissioner Beddow seconded the motion. The motion passed, Yeses, 4, Noes, 0.
- B Approval of AHS Board Members; approved by AHS at the July 13 meeting: Jamie Smith (Hegg Realty) and David King (King Law Firm). AHS approved these two new directors contingent upon conditional approval by the SFHRC Board. Commissioner Beddow made a motion to approve the new AHS directors. Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 4, Noes, 0. It was also noted that Randy Osterloo has expressed an interest in coming a member of the AHS Board to replace Director Clara Jacob who resigned.

The meeting went into Executive Session at 8:17 a.m.

Commissioner Wiederrich motioned to approve the submittal of a LIHTC application for Greenway Apartments during the August 31, 2017 deadline. Commissioner Beddow seconded the motion. The motion passed, Yeses 4, Noes, 0.

The meeting adjourned at 9:03 AM.