

Sioux Falls Housing and Redevelopment Commission

630 S. Minnesota, Sioux Falls, SD

Regular Meeting

September 26, 2017

Commissioners

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

Others

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

CALL TO ORDER/ROLL CALL

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

APPROVAL OF MINUTES OF AUGUST 22, 2017– Regular Meeting

Chairperson Earley called for a motion to approve the minutes of the August 22, 2017, Regular Meeting and the September 7, 2017 Special Teleconference Meeting. Commissioner Beddow made a motion to approve the Minutes. Commissioner Keckler seconded the motion. The motion passed, Yeses, 4, Noes 0.

FINANCIAL REPORT (Vernon Kreun)

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

Shelter Plus Care Accts. Receivable-HUD: Two of the projects have five months of billable costs, \$110,073, that have not been submitted to HUD for reimbursement. Funds will be drawn down in September 2017.

HOPWA and Bright Futures are current.

All receivables are collectible.

Mod Rehab projects: There is \$1,292 due to HUD.

Public Housing: (Due To) SFHRC: (\$18,953) – a decrease of \$4,209 from July 31, 2017; Accounts Receivable – Occupied Tenants total \$5,774; Prepaid Rents – Occupied Tenants: \$1,595; Accounts Receivable – Vacated Tenants: \$4,250

South Sycamore Estates: (Due To)SFHRC: (\$33,320) A decrease of \$3,336 from July 31, 2017. Accounts Receivable – Occupied Tenants: \$242 and Prepaid Rents – Occupied Tenants \$1,303.

Housing Choice Voucher:

Net Restricted Position: Balance decreased \$178,171 Fiscal YTD. This results in a Net Restricted Position of \$45,817 which is an increase of \$4,562 in August. Unrestricted Net Position: Balance decrease of \$81,642 (Fiscal TD loss). There was an August 2017 gain of \$1,257. Note: HUD Held reserves at August 31, 2017 is \$941,059 which is an increase of \$21,143 from July 31. Discussion followed.

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

General Operating: Vernon stated for Line #115622 shows that the amount due from other programs is \$459,133. There is an increase of \$30,697 from July 31, 2017 which is primarily due to Shelter Plus Care. There were no other significant changes to report.

Income Statements

General Comments: The budget is at 92% of the annual YTD budget.

Other Programs

Shelter Plus Care, HOPWA, Bright Futures, Mod Rehabs & New Construction: The income state shows the administrative fees collected of \$15,763 results in \$6,431 under budget. Vernon explained the "direct tenant services" to the rental assistance instead of administrative costs. Discussion followed.

Public Housing: Total revenue is at 174% of the budget. Total expenses are at 70% of the budget. There is a YTD gain of \$66,020 with a variance of \$58,969.

South Sycamore Estates: Total revenue is at 90% of the budget and total expenses are at 97% of the budget. There is a YTD gain of \$18,444 and the variance is at a loss of \$(8,612). The monthly gain for August 2017 was \$4,908.

Housing Choice Voucher: Total revenue is at 90% of the budget. Total expenses are at 92%. The YTD Loss UNA is \$(81,642) with a variance of \$(56,341).

Family Self-Sufficiency: Total revenues are at 92% of the budget and total expenses are at 93%. The YTD loss is \$(1,719) with a variance of \$(1,722). The Special Needs fund has \$1,617 cash available.

General Operating: The total amount of revenue is at 95% of the budget. Total expenses are at 89% of the budget. There is a YTD gain of \$39,413 with a variance of \$23,997.

Consolidated: Total revenues are at 90% of the budget and total expenses are at 91%. There is a YTD gain of \$40,856 with a variance of \$19,699.

HCV OCCUPANCY REPORT (Dianne Hovdestad)

Dianne stated we have issued 183 vouchers so far this year and 39 participants are still searching for housing. She said 38 HAP contracts have been signed in September; however 32 participants went off housing during the month. The VASH vouchers are at 90.90% leased. 96.1% regular vouchers lease up.

Karl reviewed the HCV Leasing Data charts and the projection chart for year end. He stated that we may be slightly over \$1mm in HUD-held reserves at year end, but he thinks we'll be between 950k-1mm. Discussion followed.

FAMILY SELF-SUFFICIENCY REPORT (Lisa Bartell)

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

The United Way Fundraising Campaign will start in October. The main focuses: Mental Health, focus for United Way Campaign start in October.

A motion was made by Commissioner Beddow to approve the monthly reports. Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 5 and Noes, 0.

AHS REPORT (Wayne Wagner)

Mr. Wagner updated the Board on 4-5 single-family homes either under construction or preparing for an October closing date. He also spoke about the CTE house at S Saint Paul in Sioux Falls and how it needed to be finished by contractors working with the students. Mr. Wagner also explained the most recent grant applications submitted for Nesmith Townhomes and a 12-plex ownership development planned for Sherwood in Sioux Falls.

After his current update, Mr. Wagner explained a bit more about the situation at Field of Dreams Townhomes. He explained that the reason he hired an architect to handle the permitting is that he does not know planning or building code issues and entrusted the project architect to deliver townhomes to AHS. Currently, the townhomes are nothing more than condominiums or apartments.

Commissioner Wiederrich motioned to approve the Development Director's report. Commissioner Keckler seconded the motion. The motion passed, Yeses, 5 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 – PROCUREMENT POLICY

Director Fulmer and Deputy Director Hovdestad presented a draft Procurement Policy as it pertains to public housing units of the SFHRC. They stated that this policy was forwarded to them by John Materi, the HUD Compliance staffer who suggested that SFHRC adopt this policy. The Board discussed specifics of this policy. Commissioner Beddow motioned to approve this draft policy and Commissioner Wiederrich seconded the motion. The motion passed, Yeses, 4, Noes, 0.

EXECUTIVE DIRECTOR'S REPORT

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. 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 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 becoming a member of the AHS Board to replace Director Clara Jacob who resigned.

EXECUTIVE SESSION

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

The Commission came out of Executive Session at 9:14 AM.

The Board decided that two of its members should attend the upcoming Affordable Housing Solutions Board meeting on October 5, 2017. The principal topic would be to discuss the financial situation at Field of Dreams.

Meeting adjourned at 9:18 AM.