

SIOUX FALLS HOUSING and REDEVELOPMENT COMMISSION

630 South Minnesota Ave, Sioux Falls, SD

Regular Meeting

7:30 AM - November 28, 2017

Commissioners

Present: Bill Earley, John Peckham, Jim Wiederrich, and Jim Beddow

Others

Present: Karl Fulmer, Vernon Kreun, Les Kinstad, Dianne Hovdestad, Lisa Bartell, Ruth Christopherson, Les Kinstad, and Brent Tucker

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:30 AM by Commissioner Earley. Prior to opening the meeting, Chairman Earley thanked Commissioner Beddow for his commitment and service to both the SFHRC and AHS. Director Fulmer concurred and thanked Commissioner Beddow. It was announced that Commissioner Beddow would be leaving the Board of the SFHRC as soon as a replacement is found for him. Commissioner Beddow thanked everyone for the opportunity to serve.

APPROVAL OF MINUTES OF October 31, 2017-Regular Meeting

Commissioner Earley called for a motion to approve the minutes of the October 31, 2017, Regular Meeting. Commissioner Wiederrich moved to approve the Minutes, Commissioner Peckham seconded the motion. Motion passed, Yesses 4, Noes 0.

FINANCIAL REPORT (Vernon Kreun)

Vernon Kreun presented the financials for the period ending October 31, 2017. Finance Director Kreun began his comments by stating that the October financials are looking strong.

Cash & Investments: Vernon stated that cash reserves will increase for November due to the timing of draw downs from HUD. Shelter + Care cash will increase due to a \$117,000 draw down scheduled for November 2017. HOPW-plus has no signed contract as of yet – the SFHRC is waiting for one to come in from Montana. Bright Futures is still awaiting a signed contract from the Mayor's office – currently there are \$56,000 in receivables for Bright Futures.

Public Housing: Account receivables have been increasing primarily due to maintenance charges for one unit that was abandoned and that has infestation issues. Additionally, more maintenance work has been scheduled on units to improve unit condition.

South Sycamore Estates: The monies due to the SFHRC is down by about \$2,000.

Housing Choice Voucher Program: Net restricted increased by approximately \$47,000. Unrestricted net position increased by about \$7,000. HUD-held reserves, due to a 3-month elevation of HAP subsidy, increased by 6-7,000. Director Fulmer stated that he is confident that HUD-held reserves should fall to approximately \$950,000 by year's end.

Family Self-Sufficiency: Grant from the Community Foundation was received for approximately \$2,000.

General Operating Fund: There was increase in this fund of \$7,400 for the month of October.

Consolidated: Consolidated is approximately \$39,000 ahead of budget.

HCV Occupancy Report (Karl Fulmer and Dianne Hovdestad)

Dianne Hovdestad reviewed the Occupancy Report provided in the Board Packet. She noted VASH vouchers were leasing up over September and October numbers, and she anticipates drawing down HUD reserves now that the HAP subsidy has dropped again.

Karl Fulmer reviewed the anticipated HUD-held reserve at year-end stating that he has full faith that the program will draw down HUD-held reserves to approximately \$950,000. He stated that he thought it could be less but conservatively figures reserves to be between \$950K and \$1 mm.

Family Self-Sufficiency Report (Karl Fulmer for Lisa Bartell)

Lisa Bartell noted that we are staying consistent with the numbers across the board in the FSS Program. She stated that a VASH participant graduated and got a job at the VA. She also noted that a single mom with 2 children is graduating with over \$4,000 in escrow. We're averaging about 4-6 children in child care per night and our % of parents working started at about 48% a year ago and now we stand at 63%.

Commissioner Beddow moved that the Monthly Reports be approved as presented. Commissioner Peckham seconded the motion. Motion passed, Yesses 4, Noes 0.

AHS Report (Karl Fulmer)

Director Fulmer stated that AHS is still far behind in the single-family home production for 2017. He stated that he would touch on the contractual issues that caused the construction delays later in Executive Session.

The Director continued by discussing issues that have come to light with the construction of the CTE houses through the tech school. He stated that there appears to have been little coordination between the school and the general contractor who is charged with completing the house once it is delivered to the site. He, the City, the school and the current contractor will meet in early 2018 to discuss coordination of these issues better.

He reviewed the original completion deadline of the Sherwood homes as being mid-September of 2017. These homes currently will not be completed until March of 2018. Issues regarding issuance of a building permit delayed start of construction and contractual issues also bogged this timeline down.

Director Fulmer informed the Board that the SFHRC did not receive a tax credit award for South Sycamore Estates. He also stated that the Commission would re-apply for credits in 2018. He also informed the Board that temp Occupancy permits would be received for the units at Field of Dreams in mid-November and mid-December of 2017. FOD would not receive full occupancy until the Spring of 2018 when the sod and landscaping were completed at the property. He stated that First Premier still had to approve the sale of the units as condos prior to moving forward with condo filing and spending money with an attorney

to complete revised condo docs. The AHS attorney, Gregg Greenfield, stated that it would not take too much time since the condos were already planned in 2016 and he had worked on documents at that time.

Commissioner Peckham moved that the AHS report be approved as presented. Commissioner Wiederrich seconded the motion. Motion passed, Yesses 4, Noes 0.

Executive Director's Report (AHS Property Occupancies)

Director Fulmer reviewed the occupancy report for the AHS properties for November 2017. He stated that occupancy suffered a bit at Spring Centre Apartments in November due to the mutual termination of three tenants and voluntary move-out of one tenant. This resulted in approximately 1.7 unit vacancies for the month of November. Overall, January-November blended occupancy stands at nearly 97%. The target for the year is 97% occupancy of SFHRC and AHS properties.

Administrative Items

Director Fulmer informed the Board that a Special Programs Coordinator and two Housing Specialists should be hired and starting in early December. This will fill several unanticipated vacancies that were encountered in October and November of 2017. These vacancies were due to the retirement of two employees and the leaving of two employees. The Intake Coordinator's position may go unfilled for a time to see if one staff member working remotely will fill that void.

Other Business

Review of HUD Compliance Letter: Director Fulmer reviewed the SFHRC's response letter to Janice Rodriguez at HUD-Denver. The Board discussed the response briefly and Commissioner Earley stated that he would like Director Fulmer to track the responses carefully to ensure that items are dealt with in a timely manner. Director Fulmer agreed that he would track using a spread sheet.

SEMAP Submittal: Dianne Hovdestad reviewed the SEMAP submittal for the SFHRC's HCV program. Jim Wiederrich motioned to approve the SEMAP submittal as presented to the Board. Commissioner Beddow seconded the motion. Motion passed, Yesses 4, Noes 0.

The Board briefly discussed the replacement of valued member Jim Beddow. Les Kinstad outlined the replacement process with the City of Sioux Falls. All were in agreement that the SFHRC needs more diversity on the Board. Jim Beddow let it be known that he thinks the Board has made great strides forward during his service. He was particularly proud of the updating of the Strategic Plan and the Commission's engagement in the community.

The Commission moved into Executive session at 8:29 AM to discuss contractual issues.

The Commission came out of Executive Session at 8:39 AM.

The meeting adjourned at 8:40 AM.