

**SIOUX FALLS HOUSING and REDEVELOPMENT COMMISSION**  
630 South Minnesota Ave, Sioux Falls, SD  
**Regular Meeting**  
7:30 AM – January 30, 2018

Commissioners

Present: Jeremy Keckler, Jim Wiederrich, John Peckham, Jim Beddow and Bill Earley via phone.

Others

Present: Karl Fulmer, Vernon Kreun, Dianne Hovdestad, Lisa Bartell, Brian Jans, Suzie Smith, and Brent Tucker

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 7:30 AM by Commissioner Keckler.

**APPROVAL OF MINUTES OF November 28, 2017-Regular Meeting**

Commissioner Keckler called for a motion to approve the minutes of the November 28, 2017, Regular Meeting. Commissioner Peckham moved to approve the Minutes, Commissioner Beddow seconded the motion. Motion passed, Yesses 5, Noes 0.

**FINANCIAL REPORT (Vernon Kreun)**

Vernon Kreun presented the financials for the period ending December 31, 2017. Finance Director Kreun began his comments by stating that the December financials are looking strong and that, overall we are slightly above pace for revenues and below projections for expenditures. Prior to beginning his update, Vernon stated that HUD-held reserves for the HCV program wound up at year's end totaling \$927,000. This is approximately \$10,000 below what SFHRC staff projected and that HUD disputed at the September 2017 compliance visit. Director Fulmer stated that Vern's estimates were far more accurate than HUD's "two-year" tool.

Cash & Investments: Vernon stated that cash holdings grew due by 56,000 received from Shelter plus Care close-out monies from FY2017.

Other Programs: Vern stated that HOPWA is behind in 2018 billing due to SFHRC waiting for contracts from the State of Montana. The accounts receivables for special programs should be billed out in the upcoming weeks.

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: This property posted a \$12,000 gain which brought the property ahead of budget by about \$2,000 for the quarter.

Housing Choice Voucher Program: Vern stated that HCV was at an \$11,000 loss as of 12-31-2017. This is about \$7,000 better than budgeted and is primarily due to staffing savings over what was estimated at

the time of the budget. Mention was made again of how accurate our in-house estimations were regarding HUD-held reserves for year-end.

Family Self-Sufficiency: Vern stated that due to HCV files being transferred to the FSS Program, FSS will now be billing the HCV program for some of its staff time. According to estimates, this will save FSS more than the \$15,00 it was underfunded by United Way for FY 2018.

General Operating Fund: Vernon stated that the GOF showed a gain of \$20,000. This is \$8,000 above budget. Property Management was off by about \$1,000 but Vern attributed that to one extra payroll falling in the first quarter financials.

Consolidated: Consolidated showed a gain of approximately \$100,000 and this is approximately \$58,500 ahead of budget.

#### **HCV Occupancy Report (Karl Fulmer and Dianne Hovdestad)**

Dianne Hovdestad reviewed the current status of the HCV Program. She did state that leasing was down a bit for the month but thought that would recover in January and February of 2018. She also anticipates drawing down reserves further. She stated that 2017 HCV saw spending above 2016 of approximately \$750,000. Both she and Director Fulmer gave significant credit to HCV staff for this significant improvement over the prior year.

#### **Family Self-Sufficiency Report (Lisa Bartell)**

Lisa Bartell reviewed the handouts for the FSS Program update. There were no significant changes to the program, but the percentage of FSS participants that are working is increasing over time.

Commissioner Wiederrich moved that the Monthly Reports be approved as presented. Commissioner Peckham seconded the motion. Motion passed, Yesses 5, Noes 0.

#### **AHS Report (Karl Fulmer)**

Director Fulmer reviewed some issues that AHS is currently having with the production and completion of CTE houses built in coordination with SE Tech.

He also reviewed delays that are being experienced with the rework of legal documentation for Field of Dreams. Legal documents must be reworked and re-filed in order to proceed with the sales of the condo units. He stated that the project is about \$45,000-60,000 over what was budgeted by the Development Director.

Director Fulmer stated that if the properties were sold between \$150,000 and 155,000, AHS would be able to pay the \$1.4 mm construction loan off, pay the City of Sioux Falls roughly \$138,000 in payback of its \$300,000 loan and retain about \$130,000 in fees for itself. The condos were already planned in 2016 and he had worked on documents at that time.

Director Fulmer stated that two houses will begin construction on W 7<sup>th</sup> Street in March and a twinhome on E 3<sup>rd</sup> Street. He anticipates another 10 units, at least, to be under construction in 2018.

Commissioner Bedoow moved that the AHS report be approved as presented. Commissioner Wiederrich seconded the motion. Motion passed, Yesses 5, Noes 0.

### Executive Director's Report (AHS Property Occupancies)

Director Fulmer reviewed the occupancy report for the AHS properties through December 2017. He gave full credit to the Property Management team for leasing at 97.3% occupancy for the CY 2017. He stated that this will be the key to success moving forward.

### Administrative Items

HCV Triennial Recertification. Both Dianne Hovdestad and Karl Fulmer reviewing the potential for the SFHRC Board to consider adopting the HCV policy of Triennial Recertification. Dianne stated that this could greatly save time for the HCV staff. Essentially, those participants that have at least 90% of their incomes devoted to fixed income sources would qualify for this system. The Board stated that staff should pursue this methodology.

SFHRC/AGHS Staffing. Director Fulmer informed the Board that he would like to hire the Executive Assistant's position around mid-February 2018. The position closes at the end of January and there are over 70 applicants – which makes the process slower. He stated that he is disappointed with the response for the Housing Development Coordinator position, but he hopes that 2-3 might be worth interviewing.

Travel Request, D.C. NAHRO Conference. The Board reviewed a request for Karl Fulmer and Diane Hovdestad to attend the Washington, DC – National NAHRO Conference. John Peckham moved to approve the travel request. Jim Wiederrich seconded the motion. Motion passed, 5 Yeses, 0 Noes.

### Other Business

Response to HUD Compliance Letter: Director Fulmer stated that 6 items will be submitted to HUD-Denver prior to the end of January 2018. He anticipates bringing policy issues to the Board throughout the Spring of 2018.

SEMAP Score: Director Fulmer congratulated the HCV staff for receiving a SEMAP score of 100. He stated Dianne Hovdestad should also be congratulated for a job well done!

Computer Conversion. Director Fulmer stated that he hopes to have the software companies coming into the SFHRC offices by March of 2018. He has had difficulty in getting the companies to be responsive, however. John Packham volunteered to assist with the process.

Director Fulmer introduced Suzie Smith as the new SFHRC Board member as of February 1, 2018. The Board welcomed Suzie Smith and she stated that she's excited about the opportunity to serve on the Board.

The Commission moved into Executive session at 8:31 AM.

The Commission came out of Executive Session at 8:42 AM.

**The meeting adjourned at 8:43 AM.**