

CERTIFICATE OF APPROVAL OF MINUTES

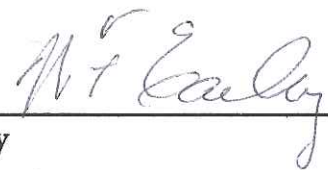

MINUTES OF: June 24, 2014

APPROVED ON: July 22, 2014



President

ATTEST:

Secretary

Sioux Falls Housing and Redevelopment Commission
630 S. Minnesota, Sioux Falls, SD
Regular Meeting
June 24, 2014

Commissioners

Present: Jeremy Keckler, William Earley, Harriet Scott, John Peckham and
James Wiederrich

Others

Present: Dianne Hovdestad, Vernon Kreun, Donna Rollag, Les Kinstad, Paul Hess and
Mia Dummermuth

CALL TO ORDER/ROLL CALL

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

NEW COMMISSIONER OATH OF OFFICE

The Oath of Office signed by James Wiederrich was presented and approved.

APPROVAL OF MINUTES OF MAY 27, 2014

Chairman Keckler called for a motion to approve the Minutes of the May 27, 2014 meeting. Commissioner Peckham moved to approve the Minutes. Commissioner Scott seconded the Minutes. The motion passed, Yeses, 5, Noes, 0.

FINANCIAL REPORT

Vernon presented the May 31, 2014 Financial Report. He noted there is a large shift in cash from the voucher restricted funds into the general operating fund. We received notice from HUD that as of June 1, they were going to pull \$675,000 from the net restricted assets and hold this amount in a HUD reserve account. The funds are still available for our use. Discussion followed.

Vernon presented the balance sheet for the miscellaneous programs. We collected 100% of the receivables in June. The income statement for the miscellaneous programs shows we are running behind in administrative fees. We will not catch up by year end. The method for calculating administrative fees for Shelter Plus Care is changing, so we won't be able to capture 100%. The HOPWA grant may catch up by year end.

Vernon reviewed the balance sheet for the Public Housing program. He noted (Due To)From and Certificates of Deposit in the amount of \$153,246 representing cash available for Public Housing projects. Because of vacancies and renovations, we are \$2,400 over in expenses. We received more operating funds than expected. We have a Y-T-D gain of \$19,769 which is \$5,200 ahead of budget.

Vernon explained the balance sheet for South Sycamore Estates. He noted the (Due To)From account is a negative \$12,313. This dropped during the month of June so South Sycamore Estates has a positive cash flow and is paying back the funds borrowed from SFHRC. Discussion followed. Expenses are up but we are still ahead of budget in the amount of \$2,656.

Vernon reviewed the balance sheet for the Housing Choice Voucher program. Account #111106, Cash Restricted, was decreased by \$675,381 to shift to the general fund to pay the HAP payments. The income statement shows we have received more money from HUD than we have spent for HAP. There is a Y-T-D loss of \$40,823.

Vernon said the balance sheet for Family Self-Sufficiency is on target. He explained some of the items with negative variances in the income statement. There is a Y-T-D gain of \$10,094.

Vernon reviewed the balance sheet for the General Operating Fund. The cash increased \$736,897 because of the cash transfer to cover the HAP payments. Unrestricted and current year gain total \$1,258,540. The income statement shows we are running behind in management fees revenue due to Spring Centre and Duluth Heights properties not getting fully leased up as quickly as anticipated. There is a Y-T-D gain of \$56,773.

In the balance sheet for the Consolidated account, Vernon reported the unrestricted net position and the current year gain total \$1,395,327. The income statement shows revenue at 73% and expenses at 63% of budget. The Y-T-D gain is \$74,170.

Discussion followed regarding the occupancy issues at Spring Centre and Duluth Heights. Mia and Dianne explained the challenges with qualifying tenants at the various income levels. Duluth Heights wasn't ready for occupancy as soon as had been expected.

OCCUPANCY REPORT

Dianne presented the Occupancy Report. She had a conversation with HUD on Friday, June 20. HUD is wondering what our plans are to lease up. Dianne talked about the lack of staff resources due to previous reductions in the administrative fees. Either we can follow federal regulations and do the annual recertifications in a timely manner or devote staff to concentrate on leasing up and possibly have audit findings. HUD will be issuing a guideline on regulatory relief, but we don't know the impact of that yet. The Commissioners requested a full report next month on what should be done to address the lease up issue.

Dianne updated the Commission about the Lease Up Extravaganza. We interviewed 125 households in two days and issued 50 vouchers. A few applicants were over income and the rest are pending.

FAMILY SELF-SUFFICIENCY REPORT

Dianne reported that FSS received the United Way Grant in the amount requested of \$64,793.

Commissioner Peckham made a motion to approve the monthly reports. Commissioner Earley seconded the motion. The motion passed, Yeses, 5, Noes, 0.

CAPITAL IMPROVEMENTS – PUBLIC HOUSING & SSE

Dianne handed out information about the storm damage on the property owned by the Commission. Four Public houses, with finished/partially finished basements, had water intrusion. She also furnished a list of units that had possible hail damage. The insurance adjuster is checking the properties. Our deductible is \$2,500 per house, per occurrence. We're looking at approximately \$23,000 to \$25,000 in deductibles. We are going to have to use some of the capital funds we received for 2014 to help cover the costs.

Therefore, the items we had planned to do for capital improvements will have to be put on hold. HUD said the capital funds and the insurance proceeds are considered Public Housing funds, and we will be required to follow procurement procedures. There was discussion about the property in South Grange that had a fire. The properties with water damage are being repaired.

SECTION 8 ADMINISTRATIVE PLAN

Dianne presented the Resolution and the Section 8 Administration Plan in its final form. This plan was reviewed by staff and revised to comply with HUD Federal regulations. The plan has to be submitted to HUD, not for approval, but to have a plan on file to check for items contrary to regulations. Dianne reviewed the major changes: policy changes for denial of applicants; added language on the Family Unification Program (FUP); non-discrimination against a household based on sexual or gender identity; the process for transferring under portability; the process for denial based on drug related activities. The Commission requested that in the future they receive a black line draft of any revisions. Commissioner Wiederrich made a motion to approve the Resolution for the Revised Section 8 Administrative Plan. Commissioner Keckler seconded the motion. The motion passed, Yeses, 5, Noes, 0.

ADMISSIONS AND CONTINUED OCCUPANCY PLAN

Dianne briefly reviewed the Admissions and Continued Occupancy Plan. This plan is used for Public Housing with similar changes to those made in the Section 8 Administration Plan. Commissioner Wiederrich made a motion to approve the Resolution of the Revised Public Housing Admissions and Continued Occupancy Plan with a request for a black line draft for future changes. Commissioner Earley seconded the motion. The motion passed, Yeses, 5, Noes, 0.

FIVE-YEAR AGENCY PLAN

Dianne presented the 2015-2020 Five Year Agency Plan and the Fiscal Year 2015 Annual Plan. Discussion followed. Commissioner Wiederrich made a motion to approve the Five Year Agency Plan. Commissioner Earley seconded the Motion. The motion passed, Yeses, 5, Noes, 0.

AGREEMENT TO MANAGE DULUTH HEIGHTS

Dianne presented an Agreement to Manage Duluth Heights. This Agreement is for the Sioux Falls Housing and Redevelopment Commission (SFHRC) to provide the property management services for the property owner, Affordable Housing Solutions (AHS). This is the same agreement SFHRC has with AHS for the Spring Centre Apartments. This Agreement will also be brought to the AHS Board for their approval. Discussion followed. Commissioner Wiederrich made a motion to approve signing the Agreement. Commissioner Earley seconded the motion. The motion passed, Yeses, 5, Noes, 0.

DEPUTY DIRECTOR'S REPORT

2023 S. Grange – Fire: Dianne reported we're still processing the fire damage. She has been in touch with HUD as to the next steps. There is an archeology professor, who lives next door to this house, who is interested in purchasing the property. We told him the property was not for sale. The next step for this property is to get a contractor to determine what needs to be done and then contact HUD to receive

approval to repair the house. We have to bid it out but there are contractors who specialize in repairing fire-damaged properties. It is possible to get the repairs done this year. If we wanted to sell the house, we would have to put in an application to HUD for disposition approval, and then we would have to replace it. Discussion followed.

Dianne provided more details about the Lease Up Extravaganza. Overall, it went well.

OTHER BUSINESS

Paul Hess provided an updated status report regarding the foreclosed Fluth properties.

Les Kinstad talked about the status of affordable housing in Sioux Falls. Housing units are not being built fast enough to keep up with the demand. He also talked about core neighborhoods like Pettigrew Heights that are deteriorating and need concentrated neighborhood revitalization. Les is working on putting together a comprehensive community-based planning effort which will need the support of the Housing Commission. There is a federal five-year plan that will be merged with this process.

The meeting was adjourned.

The next meeting date is July 22, 2014.