

**Sioux Falls Housing and Redevelopment Commission**  
630 S. Minnesota, Sioux Falls, SD  
**Regular Meeting**  
March 21, 2017 – 7:30 AM

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

Others  
Present: Karl Fulmer, Dianne Hovdestad, Vernon Kreun, Lisa Bartell, Donna Rollag Wayne Wagner, 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 FEBRUARY 28, 2017 – Regular Meeting**

Chairperson Earley called for a motion to approve the minutes of the February 28, 2017 Regular Meeting. Commissioner Wiederrich made a motion to approve the Minutes. Commissioner Keckler seconded the motion. The motion passed, Yeses, 5, Noes 0.

**FINANCIAL REPORT (Vernon Kreun)**

Vernon presented the SFHRC financials for the period ending February 28, 2017. He reviewed the Cash & Investments. The net change is \$90,605. The increase in operating cash of \$88,825 resulted from receiving additional HAP funds of \$123,500 from HUD on February 6.

Public Housing: He noted (Due To) has a decrease of \$4,749 from January 31, 2017. There is a YTD gain of \$56,181. Vernon stated we received additional insurance proceeds of \$16,445 and a FY2017 PHA Capital Grant of \$34,091.

South Sycamore Estates: There is an increase of \$181 from January 31, 2017. \$12,745 relates to concrete work completed and reflected as a non-routine expense. We have submitted a request to SDHDA for reimbursement from the replacement reserve account. We received these funds on February 6. There is a YTD loss of \$7,285 and a YTD variance of (\$16,608).

Housing Choice Voucher-Net Assets: The net restricted balance decreased by \$249,786 which resulted in a net restricted position of a \$25,798 loss. We will request additional funds from HUD. The unrestricted net position shows a balance decrease of \$36,948 (YTD) loss. We are at 39% of the budget. There is a YTD UNA loss of \$36,948. Funds Transfer: \$249,756 resulted from HAP and URB expenditures greater than the funds received resulting in a decrease in the net restricted position.

Family Self-Sufficiency: There are no significant changes in the balance sheet. There is a YTD gain of \$5,963. The income statement shows the United Way Grant with a variance YTD of \$1,359. The variance will be reduced to zero by FYE. Vernon noted the Special Needs Fund has \$1,853 cash available. He stated \$1,221 was received from the HyVee promotion and \$200 from the SF Community Foundation. Also, Shireen Ranschau donated her award from the

Larry Oppold Memorial Fund to FSS.

General Operating: There are no significant changes to report in the balance sheet. The income statement shows total revenue is at 44% and total expenses are at 42%. Vernon stated the YTD gain is \$12,998 with a variance of \$8,29. Property Management has a YTD loss of \$7,182 and the Admin. & Other YTD gain is \$20,180. Discussion followed.

Income: Housing Choice Voucher: Total Revenue is at 39% of the budget with a YTD loss UNA of (\$36,948). Total expenses are at 41%. Vernon noted the funds transfer: \$249,756 resulted from HAP and URB expenditures greater than the funds received which resulted in a decrease in the Net Restricted position.

Consolidated account: Total revenue is at 39% of the budget and total expenses are at 41%. There is a YTD gain of \$31,544 in the Consolidated account. We are ahead of budget by \$21,928.

There was a general discussion about fraud.

#### **HCV OCCUPANCY REPORT (Dianne Hovdestad)**

Dianne stated we received notice on how HUD was calculating funding for January and February. HUD based our renewal money using incorrect information. HUD will correct. We were notified last week of a proration decrease from 95% to 94%. We will have to take more money out of reserve. We are monitoring the lease up very closely. The continuing resolution expires April 28. Different options were discussed regarding the resolution. There are 40 voucher holders out looking. We contacted 160 from the waiting list. Last week we sent out 60 letters and 25 responded.

#### **FAMILY SELF SUFFICIENCY REPORT (Lisa Bartell)**

Lisa stated the United Way review is scheduled for April 4. Commissioner Keckler, Commissioner Wiederrich and Commissioner Beddow will attend the review. Also, two clients will speak at the meeting. Lisa provided another update on the fire alarms. She also said she had not received any submissions for the poster contest.

There was discussion about Thrive's involvement in the Family Self-Sufficiency program.

A motion was made by Commissioner Keckler approving the monthly reports. Commissioner Peckham seconded the motion. The motion passed, Yeses, 5, Noes, 0.

#### **8:00 AM – 2016 AUDIT CONFERENCE CALL**

The SFHRC Board had a telephone conference call with Janelle Mulroy of Brady Martz Auditors. She reviewed the audited Financial statements and the Manager's Report as of September 30, 2016. The audit was clean and no "conditions" were presented from the auditor's perspective. Discussion followed. A motion was made by Commissioner Wiederrich to approve the audit reports. Commissioner Keckler seconded the motion. The motion passed, Yeses, 5, Noes, 0.

## **AHS PROPERTIES REPORT (Wayne Wagner)**

Wayne distributed his report dated March 21, 2017. He noted the price of the house at 265 S. Duluth is \$135,000 instead of \$190,000. Field of Dreams: Wayne updated the Board about this project. April 1 is scheduled for the groundbreaking. The units would sell for \$135,00 to \$140,000. Other details were discussed.

Pettigrew Manor is being leased with three units occupied. We have commitments for all eight units and should be 100% occupied by the end of March. Our goal is to be 97% occupied at all times. Discussion followed.

Greenway/S Sycamore Estates: The Commission and AHS are considering these as tax credit rehab projects for an application for credits in August 2017. Discussion followed.

Neighborhood Revitalization: Ten houses will be built in 2017 with construction contracts awarded to Greenfield Construction.

February Funding Application: Wayne provided a report regarding SDHDA funding for Whittier Park Apartments and construction of the Sherwood duplex. Tax Credit Application with Lloyd Companies – application for Cleveland Center will not be resubmitted and Wayne stated that AHS and Lloyd are currently looking for a new location. Discussion followed.

Wayne also informed the Board about Brinshore Group RFP. AHS and Brinshore will submit a response to the City's RFP for Lots 7012 & 721 downtown. Brinshore is a Chicago-based organization that constructs mainly commercial and multi-family projects but now is working on a project in Madison, South Dakota. Discussion followed.

A motion to approve the AHS Properties report was made by Commissioner Wiederrich and seconded by Commissioner Peckham. The motion passed, Yeses, 5, Noes, 0.

## **STRATEGIC PLAN: GOALS AND OBJECTIVES FOR ANNUAL PLAN**

Subcommittee Meeting: Karl provided an update about the subcommittee meeting held with Commissioner Beddow and Commissioner Wiederrich. The plan is not final today; there will be proposed additions to the plan and revisions. Karl reviewed the previous SFHRC's Strategic Plan noting the main focus of SFHRC is to promote efficient management and financial stability, and enhancement, maintenance and expansion. Thrive's report was also reviewed. Discussion followed. The subcommittee hopes to meet one more time before the next Commission meeting scheduled for April.

## **HUD COMPLIANCE REVIEW – JUNE 6-8, 2017**

A HUD rep will be in the office the week of June 6-8. Listed below are items that will need to be in place before June:

Update to SFHRC Policies: Dianne stated the Section 8 Admin. Plan and the Public Housing occupancy policy will need to be brought up to date. The Procurement Policy must be in compliance, and a Physical Needs Assessment report done on the Public Housing units. A list of other policies will be coming before the Commission Board prior to the end of May 2017.

Cleaning up HCV Abate Lists – Dianne reviewed the abatement procedure which applies to anyone who has a Housing Choice voucher. A file is not held in abatement longer than six months. If a file is held longer than six months, the tenant could be terminated.

Inspection and Clean-Up of HCV/Tenant files: This process will occur in the next two months.

#### **STREAMLINING OF HCV PROGRAM**

Instituting a "Lottery" Program for Waiting List: some housing programs have started a lottery system for the waiting list. Dianne reviewed the program in place at other housing authorities. She has heard good and bad things about the program. It could help administratively but must be managed very carefully. When the list is opened for a lottery drawing, the old list is eliminated and a new list is started. SFHRC would estimate the number of vouchers for the next one to two years and names/numbers are pulled based on a random system. Karl stated this would be an ongoing discussion to limit applicants from feeling hopeless if a waitlist is 4-5 years. Discussion followed.

Electronic Signatures – electronic signatures are being done now. AS400 upgrades must be completed before doing automatic deposits for landlords. The AS400 system needs to be updated in the next 6-8 months. Director Fulmer stated that staff is beginning investigation of upgrade options and will compile information in the next 3-4 months.

#### **EXECUTIVE DIRECTOR'S REPORT**

Pettigrew and Other Properties lease up status reports: Karl provided updates regarding the properties.

Union Meeting – March 30 – 10:30 AM. Steve Bogue, attorney, from Omaha will be here. This is a follow-up to a very short meeting of February 2017.

Revised Organizational Chart: Karl reviewed the organizational chart which included AHS staff. He will be supervising the entire office along with property management and the HOPWA program. The Family Self-Sufficiency department is also under Karl's direction. Dianne's main focus is with the Housing Choice voucher program's employees and performance of the program. Vernon oversees the accounting staff and the front office employees. Discussion followed.

Conflict of Interest Policy – the policy was updated.

#### **OTHER BUSINESS**

Dianne submitted a travel request to attend the Mountain Plains NAHRO conference scheduled for May 24-26 in Vail, Colorado. Commissioner Wiederrich made a motion to approve the travel request and Commissioner Peckham seconded the motion. The motion passed, Yeses, 5, Noes, 0.

The meeting was adjourned at 8:55 AM.