

**SIOUX FALLS HOUSING and REDEVELOPMENT COMMISSION**

630 South Minnesota Ave, Sioux Falls, SD

**Regular Meeting**

7:30 AM – February 27, 2018

**Commissioners**

**Present:** Bill Earley, Jeremy Keckler, John Peckham, Suzy Smith

**Others**

**Present:** Karl Fulmer, Vernon Kreun, Dianne Hovdestad, Lisa Bartell, and Brent Tucker

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 7:30 AM by Commissioner Earley. Commissioner Earley officially welcomed Suzanne Smith to the Board of Commissioners. Commissioner Smith stated that she was very glad to be a part of the Board.

**APPROVAL OF MINUTES OF January 30, 2018-Regular Meeting**

Commissioner Earley called for a motion to approve the minutes of the January 30, 2018, Regular Meeting. Commissioner Peckham moved to approve the Minutes, Commissioner Keckler seconded the motion. Motion passed, Yesses 4, Noes 0.

**FINANCIAL REPORT (Vernon Kreun)**

Vernon Kreun presented the financials for the period ending January 31, 2018. Finance Director Kreun began his comments by stating that the first four months of FY 2018 are looking really good. He stated that the SFHRC is currently at 1.4 mm in unrestricted net assets and that much of this is due to . This is, in part, due to nearly \$80k in funds being received from the City of Sioux Falls for the Bright Futures program for months Sept-Nov 2017.

**Cash & Investments:** Vernon stated that cash holdings grew due by 40,500 received from the Bright Futures Program.

**Other Programs:** Vern stated that July of 2017 still hasn't been collected from Shelter plus Care due to a delay from HUD in reviewing and approving our APR for the program. He anticipates this to be approved soon. Vern stated that the HOPWA contracts have finally been executed by the State of Montana. The accounts receivables for special programs should be billed out in the upcoming weeks due to HUD approvals and execution of contracts. Vern stated that the money owed to HUD for Mod Rehab ahs now been paid.

**Public Housing:** \$91,609 is due from the Commission to Public Housing and is sitting in general funds to be used. Receivables have increased due to the abandoned units at the beginning of the year.

**South Sycamore Estates:** The amount due to the Commission increased due to the Commission paying the insurance premium of \$11,748. This will be transferred from the Tax and Insurance Reserve.

Housing Choice Voucher Program: Unrestricted net position of just over \$22,000. Restricted reserves are at \$96,125. This amount stood at \$30,000 at FYE. For the most part, HCV is ahead of budget for FY 2018. Admin Fees are trending upward by 2% for CY 2018, too.

Family Self-Sufficiency: No substantive changes to report. There is a \$2,500 YTD gain due to United Way overfunding in Jan Feb of 2018. This will be recouped later in the grant cycle.

General Operating Fund: Vernon stated that the GOF showed a gain of \$27,000. This is nearly \$12,000 above budget.

Consolidated: Consolidated showed a gain of approximately \$106,000 and this is approximately \$52,000 ahead of budget.

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

Dianne Hovdestad reviewed the current status of the HCV Program. She stated that HCV had regained the leasing that was lost in the last 2 months of CY 2017. A total of 1,814 vouchers were utilized in February 2018. The units leased through January of 2018 was almost 97% utilization with over 105% funding utilization. She and Director Fulmer both cautioned that the SFHRC should be very aware that we are continuing to draw-down HUD-held reserves and, at some point, we should relax the leasing of unit months. This will prevent drawing down reserves too far. The Board agreed with this assessment.

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

Lisa Bartell reviewed the handouts for the FSS Program update. There were no significant changes to the program. Lisa stated that the United Way grant application was submitted on time and expects to have a United Way meeting in April with the Funding Committee. Ms. Bartell outlined some additional monies received from Health Connect for dental care of participant families.

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

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

Director Fulmer started by saying that AHS anticipates bidding an additional ten (10) units by the end of March 2018. The units are currently being redesigned by our draftsperson (Sherwood Place Townhomes) and Koch Hazard (Nesmith Townhomes). He anticipates April/May sales of S. St Paul and 821, 823 N Sherwood (townhomes).

Director Fulmer gave a brief update on Field of Dreams stating that he was waiting for the project attorney and the City of Sioux Falls to decide whether the property could be divided into two parcels to protect AHS interests for Phase 2 of the development. The baseline condo documents would be filed with the State in early March. He stated that he was a bit frustrated with the pace of the documents creation.

Commissioner Earley thanked Director Fulmer and the City of Sioux Falls, Greenfield Builders, for improving the situation regarding development and status of AHS. Director Fulmer stated that he was pleased but work still had to be done to move forward. Hiring a competent Development Coordinator is critical.

Commissioner Keckler moved that the AHS report be approved as presented. Commissioner Peckham 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 through January 2018. He gave full credit to the Property Management team for leasing at 97.3% occupancy for the CY 2017. He did warn that property vacancies would grow in the months of February through March due to abandonment of two public housing units, removal of Dakotabilities clients from our properties and miscellaneous evictions/mutual terminations. He stated that he would keep the SFHRC and AHS boards fully-informed regarding timelines for vacancies and the lease-up of the properties.

#### **Administrative Items**

Director Fulmer stated that the hiring of AHS' Development Coordinator and the SFHRC's shared Executive Assistant are priorities for his office. He stated that he hoped to have interviews completed for both positions by mid-March and hiring done by month's end. He stated that there were roughly 82 applicants for the Exec Assistant position and 16 for the Development Coordinator's position.

Director Fulmer stated that he would like to have both the telephone and computer conversion RFP's out in the month of March. His timeline for telephone conversion would be by end of April 2018 and computer conversion mid-June 2018.

#### **Other Business**

**FY 2017 SFHRC Audit Review:** Director Fulmer and Finance Director Kreun led discussion and review of the FY 2017 SFHRC Audit Report. The audit was conducted by Brady Martz and Brian Opsahl of Brady Martz joined the Board meeting via telephone. Mr. Opsahl began his review by stating that his unmodified opinion was that it was a good and "clean opinion."

Mr. Opsahl noted on page 11 of the audit that the \$191,985 in decrease of net position was primarily due to the funding out of SFHRC-held HAP reserves due to the significant increase in leasing for the HCV program. Director Fulmer verified that this decrease was primarily due to spending the restricted reserves for HCV. Mr. Opsahl agreed. Page 12 of the report – Vern Kreun and Mr. Opsahl stated that the timing was a bit off for drawdown of end-of-FY funds and affected some of the numbers seen on this page. HCV utilization explained some of the negative cash flow, but timing of drawdown more than explained the remainder.

Mr. Opsahl reviewed the financial data schedules on pages 31-32. He stated that most grants zero-out, but that HCV, public housing and "business activities were the exceptions. Mr. Opsahl ended his summary review by stating that the SFHRC staff was very helpful in conducting the audit review. Finance Director Kreun thanked Brian and stated to the Board that this was a very "clean" audit report. Director Fulmer stated that his office responded directly to certain notes of the management report, but none were considered material.

The Commission moved into Executive Session at 8:45 AM. All staff was asked to leave. The Commission came out of Executive Session at 9:12 AM and Director Fulmer was informed that the Board would be conducting a performance review at their March 2018 meeting.

**The meeting adjourned at 9:13 AM.**