

SIoux FALLS HOUSING and REDEVELOPMENT COMMISSION
630 South Minnesota Ave, Sioux Falls, SD
Regular Meeting (*Carryover of May 22nd Meeting*)
7:30 AM – June 12, 2018

Commissioners

Present: William Earley, Jim Wiederrich, Suzy Smith .

Others

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

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:33 AM by Commissioner Earley.

Public Comment Period.

Commissioner Earley asked that the Commission add a public comment period to its agenda from this point moving forward. Director Fulmer agreed to do so. Commissioner Earley asked if there were any comments from the public. No one asked to make comment.

APPROVAL OF MINUTES OF May 1, 2018-Regular Meeting

Commissioner Earley called for a motion to approve the minutes of the March 27, 2018, Regular Meeting. Commissioner Smith moved to approve the Minutes, Commissioner Wiederrich seconded the motion. Motion passed, Yeses 3, Noes 0.

FINANCIAL REPORT - April 30, 2018 Financials (Vernon Kreun)

Vernon Kreun presented the financials for the period ending April 30, 2018. Finance Director Kreun stated that the SFHRC is on target for the month and that there are no major changes to report. Vern did state that the Commission is over budget for snow removal for the 2017-2018 winter months. He stated that this is the case throughout the City.

Cash & Investments: Vernon stated that the SFHRC has seen a net increase in cash and investments of \$72,000 through April 30, 2018.

Other Programs: All accounts receivable balances are current and collected in May 2018.

Public Housing: Finance Director Kreun stated that HUD notified SFHRC that we were overfunded Jan-March in the Operating Fund. He anticipates no Operating Subsidy funding for April & May and a decreased level in July 2018. Currently PH has a positive variance of \$23,000.

General Operating Fund: Vernon stated that HCV "due from" account is being drawn down due to surpluses in the HCV program. SFHRC saw a decrease in the "due from" item of over \$20,000 in April 2018.

Consolidated: Consolidated showed a gain of approximately \$196,000 and this is approximately \$101,000 ahead of budget.

HCV Occupancy Report (Karl Fulmer and Dianne Hovdestad)

Dianne Hovdestad reviewed the current status of the HCV Program. HCV leasing saw a slight increase from 1784 to 1787 in May 2018. She stated that we are spending approximately 104% of funding availability for the program, however. Director Fulmer and Dianne discussed the 2018 HCV "offset" by HUD and stated that the SFHRC will forfeit \$59,000 from its HCV reserves. Director Fulmer stated that this is better than what might have been if reserves were drawn down to 4% of monthly HAP.

Dianne continued by presenting child homelessness stats that she received through the school district. There has been an alarming spike in student homelessness this year. Additionally, she presented income data for program participants. Commissioner Keckler thanked Dianne for organizing the data that he had requested and that it is helpful to better understand the effectiveness of programs.

Family Self-Sufficiency Report (Lisa Bartell)

Lisa Bartell provided the update of the FSS Program. Lisa stated that child care numbers are down due to school being out and there are no evening classes. She stated that 60 participants now hold monies in escrow – 38 families are paying into escrow and 54% of families are working. She stated that if we used HUD's grading system to represent those working in the last 12 months, this number would rise to 68%.

Lisa and Director Fulmer reported that United Way awarded the childcare program \$50,000 for the year. The SFHRC asked for \$69,000. The Board discussed the situation and Director Fulmer stated that they may have to access an additional funding source in the future. Discussion ensued.

Commissioner Wiederrich moved that the Monthly Reports be approved as presented. Commissioner Smith seconded the motion. Motion passed, Yeses 3, Noes 0.

AHS Report (Tyler Arens)

Tyler Arens presented the development report for AHS. He stated that three homes sold between the end of May and June 7, 2018. He stated that 15 additional homes are either under construction or currently under contract to start construction. There has been a delay on starting three twinhomes (6 total units) at Sherwood Place due to the requirement of platting the lot into three, separate lots prior to construction.

Development Coordinator Arens stated that AHS is nearing the end of all of the re-working and legal gymnastics surrounding Field of Dreams. AHS anticipates being able to sell units in early July 2018.

Tyler stated that AHS will also be submitting a new LIHTC application for Greenway Apartments for August of 2018. He stated that the Commission would not be submitting another LIHTC application for South Sycamore, however, that development staff would be working with SDHDA to put together a rehabilitation plan for the property. Discussion followed with the Board stating that they are pleased with how AHS has progressed since the removal of the former Development Director from his position.

Commissioner Smith moved that the AHS report be approved as presented. Commissioner Wiederrich seconded the motion. Motion passed, Yeses 3, Noes 0.

April 30, 2018 Financials – Affordable Housing Solutions

Vernon Kreun provided a review of the AHS Financials through April 30, 2018. Due to high snow removal, vacancies from Dakotabilities move-out and high utility charges, Director Kruen stated that most properties are behind budget projections. He also stated that it should get better as the summer months progress. He did state that Graff Apartments is showing a YTD gain for the first time ever!

Vernon stated that the General Operating budget is at about a \$7,800 loss due to no developer fees coming in – but that fees should be coming in for the recent sales in June and significant fees should come in for homes throughout the Summer of 2018.

The Board thanked Finance Director Kreun for the report and stated that the financials could be much worse due to the issues with Field of Dreams.

Executive Director's Report (AHS Property Occupancies)

Director Fulmer reviewed the Occupancy Report for the AHS properties through May of 2018. He stated that AHS properties are fully recovered from the vacancies opened by Dakotabilities clients. He stated that two properties are vacant at Homestead and it looks unlikely that sales of the units will be feasible.

Director Fulmer and Deputy Director Hovdestad gave a brief report on some headway that has been made with Senator Thune's office regarding admin fees for HCV. It appears that the Senate is going to set admin fee funding at roughly 83% - a significant improvement over this year. Thune and his staff have been very helpful in devising a more realistic funding level for HCV programs. Dianne asked the Board to follow-up with Thune's office to assist with the work regarding HCV funding. The Board members agreed to look over materials and a draft letter put together by Dianne. They all agreed to follow-up with Thune's office.

Administrative Items

Director Fulmer reported that the Computer Conversion Committee had narrowed down the bidders from three to two. Emphasys and TenMast will be coming to provide personal presentations in mid-July 2018. Director Fulmer reported that phone system RFPs are intended to go out in mid-June to be in-line with the computer software needs of either of the two remaining bidders.

Director Fulmer updated the Board that its late June meeting would be used for the review of annual policy submittals due to HUD. Additionally, he stated that the SFHRC must adopt its Smoke-free policy by July 31, 2018 and that would be included for the next meeting.

Director Fulmer informed the Board that the SFHRC would undergo a HUD Financial audit July 10-12, 2018. He and Vernon Kreun had been in contact with Carol Warren at HUD regarding her visit. There will be a pre-review meeting at roughly 8:30 AM on July 10, 2018.

The Board reviewed a travel request for Dianne Hovdestad to NAHRO Conference July 25-28, 2018. Commissioner Wiederrich moved to approve. Commissioner Smith seconded the motion. Motion passed; Yeses 3, Noes 0.

Commissioner Smith moved for adjournment. Commissioner Wiederrich seconded the motion.

Meeting was adjourned at 8:40 AM.