

MINUTES OF THE PROVO CITY HOUSING AUTHORITY BOARD OF COMMISSIONERS & PROVO NONPROFIT HOUSING DEVELOPMENT CORPORATION BOARD OF DIRECTORS



Regular Meeting

Date: Wednesday, July 25, 2012
Time: 4:15 p.m. - 6:15 p.m.
Location: 650 West 100 North
Provo, Utah

Opening Business

- Welcome and Roll Call:** Chairperson Gale welcomed the Board and called the meeting to order at 4:25 p.m. Chairperson Douglas Gale, Vice-Chair Jonathan Kau, Commissioner Valerie Lee, and Commissioner Craig Carlile were present. Commissioner Buddy Richards and Commissioner Dave Gardner were excused from the meeting.

Douglas Carlson, Executive Director, Cindy Daley, Rental Subsidy Manager, April Smith, Owned Housing Manager, Donna Smith, Financial Services Manager, Dean Clement, Facilities Manager, and Erin Haley, Executive Assistant from the staff were present.

Kelly Peterson, Housing Program Manager, and Carla Wallentine, Senior Housing Specialist, from Utah Housing Corporation were also present.

The Agenda was presented in the following order: Opening Business, Discussion Items, Report of the Executive Director, Action Items, Adjourn.

- Approval of Minutes from June 27, 2012:** Chairperson Gale referred the Board to Tab 1, and asked if there were any questions or comments from the Minutes from June 27, 2012. There were no questions or comments. Commissioner Carlile moved to approve the Minutes from June 27, 2012. Commissioner Kau seconded the motion. The motion passed unanimously, 4:0.
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Report of the Executive Director

- Provo Sustainable Homes:** Chairperson Gale asked the Executive Director to give the Board an update on the Provo Sustainable Homes. Mr. Carlson stated that the homes have been listed for two months and we have not received any offers. He said the realtor believes that potential buyers are not considering the overall lower cost of ownership related to the energy upgrades in these homes.

The Board discussed the asking price of the homes, possible promotional opportunities, and ways to educate the public about energy efficiency.

- Board Retreat:** Chairperson Gale referred the Board to Tab 2, which contained a preliminary schedule for the Board Retreat, scheduled for October 25th-28th. Mr. Carlson stated that the facilities and the moderator have been arranged for the Retreat.
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Discussion Items

- Discussion with Kelly Peterson and Susan VanArsdell, Utah Housing Corporation:** Mr. Carlson introduced Kelly Peterson and Carla Wallentine (who was present for Susan VanArsdell) from Utah Housing Corporation. Mr. Peterson explained the details of the CROWN program, including the structure of the organization, the financing for the project, and timeline for the life of the project. Utah Housing Corporation will serve as the lender/investor and will provide the Construction loan and any permanent loans, will be the tax-credit allocator, will provide program support, and will act as the consultant to the developer, Provo City Housing Authority. The PCHA will be the managing member of the partnership, and will be responsible for construction and the day-to-day management and compliance of the project.
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The Board discussed issues related to tenant selection, the current price of tax credits, potential investors who might purchase the tax-credits, developer fees, and program compliance.

- 2. Briefing on the Capital Fund Finance Program and Public Housing Disposition under Section 18 Use of Public Housing Operating Reserves for FY2012:** Chairperson Gale referred the Board to Tab 3, which contained a PowerPoint presentation about the Capital Fund Finance Program and asked Mr. Carlson to update the Board regarding the Capital Fund Finance Program and Public Housing Disposition. Mr. Carlson informed the Board that Econmetrica and people from the HUD offices in Denver came to the PCHA to educate the staff about a new program to provide financing for capital improvements in Public Housing units. The program allows the Housing Authority to borrow from a private lender and to use funds from the Capital Fund Grant to pay for the loan. If used in conjunction with the LIHTC (Low Income Housing Tax Credits) program, the Housing Authority will have additional financial incentives in the estimated amount of \$55,555 to \$75,000 per unit.

The Board discussed issues related to energy-efficiency improvements, trends in Federal Public Housing financing, PCHA office development, and potential modern upgrades for the Public Housing units.

- 3. Use of Public Housing Operating Reserves for FY2012:** Chairperson Gale referred the Board to Tab 5, which contained information about Public Housing Operating Reserves. Mr. Carlson explained that Congress is of the opinion that Public Housing Operating Reserves are kept at too high of a balance, and have passed legislation to recapture Operating Reserve funds for FY2011 and is expected to do the same for FY2012. Mr. Carlson recommended that to protect these reserve funds from recapture the Housing Authority obligate some of these reserve funds for activities which have been previously discussed, including: architectural work for the PCHA new offices, and for additional employees in the Financial Services and Maintenance departments. Mr. Carlson stated that the items would be represented in Budget Amendments in the September Regular Meeting.

Action Items

- 1. Approval of Resolution 7-A-12 to Authorize Provo City Housing Authority to Obtain Credit through Utah Housing Corporation for the Development of Franklin Heights CROWN Homes:** Chairperson Gale referred the Board to Tab 5, which contained Resolution 7-A-12. Commissioner Carlile moved to approve Resolution 7-A-12 to authorize Provo City Housing Authority to obtain credit through Utah Housing Corporation for the Development of Franklin Heights CROWN Project. Vice-Chair Kau seconded the motion. The motion passed unanimously, 4:0.
- 2. Approval of a CROWN Development Agreement with the Utah Housing Corporation for the Franklin Heights CROWN Projects:** Commissioner Carlile moved to approve the CROWN Development Agreement with Utah Housing Corporation for Franklin Heights CROWN Project. Vice-Chair Kau seconded the motion. The motion passed unanimously, 4:0.
- 3. Consideration of Changing 2012 Board Meeting Schedule:** Chairperson Gale referred the Board to Tab 6, which contained a calendar of the currently scheduled Board Meetings for 2012. Mr. Carlson stated that at this time there is not a need for a Board Meeting in August. Chairperson Gale asked for a motion to cancel the meeting previously scheduled for August 29, 2012. Commissioner Lee moved to cancel the Regular Meeting scheduled for August 29th. Commissioner Carlile seconded the motion. The motion passed unanimously, 4:0.

Adjourn: Commissioner Carlile moved to adjourn. Vice-Chair Kau seconded the motion. The motion passed unanimously, 4:0. The meeting adjourned at 6:26 p.m.

The next Regular Meeting of the Board of Commissioners of the Provo City Housing Authority will be on Wednesday, September 20, 2012 at 4:15 pm.