

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



Annual Meeting

Date: Wednesday, March 23, 2011
Time: 4:15 p.m. - 5:45 p.m.
Location: 650 West 100 North
Provo, Utah

Opening Business

1. **Welcome and Roll Call:** Chairperson Gale welcomed the Board and called the meeting to order at 4:23 p.m. Chairperson Douglas Gale, Vice-Chair Jonathan Kau, Commissioner Valerie Lee, Commissioner David Gardner, Commissioner Craig Carlile, were present when the meeting was called to order. Commissioner Richards was present via telephone.

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.

Jacob McClellan, and John Beck from Hawkins, Cloward & Simister, LC were present from the opening of the meeting until 4:54 p.m., after their presentation of the audited financials.

2. **Approval of Minutes from February 23, 2011:** Chairperson Gale asked if there were any questions or comments from the Minutes from February 23, 2011. There were no questions or comments. Vice-Chair Kau moved to approve the Minutes from February 23, 2011. Commissioner Carlile seconded the motion. The motion passed unanimously, 6:0.
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Report of the Executive Director

1. **Project Updates:** Mr. Carlson briefed the Board regarding the progress of the South Franklin Community Center, PHA Sustainable Homes, and the energy improvements at Valley Villa Apartments through the Weatherization Department.

Mr. Carlson informed the Board that the financing gap for PHA Sustainable Homes is improving but there is still a gap of \$35,000. Mr. Carlson stated that this past month he has been working with the General Contractor, Paulsen Construction, in a value engineering process, along with seeing additional bids from subcontractors. He stated that they feel the current financial gap may not be reduced much further and that additional developer equity will be necessary to complete the project. The Board discussed the project's goals and benefits and a consensus was reached that the project should go forward, but the effort to reduce the gap should also continue.

2. **Approved State Housing Authority Legislation:** Mr. Carlson informed the Board that recently passed State legislation will affect the Housing Authority. Under HB 489, the PCHA and HAUC (Housing Authority of Utah County) will need to have a "uniform online application." Mr. Carlson stated that the online application will not change the priority status of Provo residents for PCHA services, and can be implemented with little difficulty. SB 197 reduces the term of office for housing authority commissioners from five year to four years. The Board asked Mr. Carlson for additional information regarding the SB 197, and how it will affect their current terms.
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Discussion Items

1. **Presentation of Audited Financial Statements for the Fiscal Year 2010, Hawkins, Cloward and Simister, CPA:** Mr. Carlson explained that at the PCHA's Annual Meeting, the Board reviews the Audited Financial Statements, and introduced Jacob McClellan and John Beck from Hawkins, Cloward & Simister, LC. Mr. Beck gave a general explanation of the Audited Financial Statements for 2010. He explained that the Housing Authority has many auditing standards which have been set by the Federal, state, and other oversight organizations that have provided
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funding for the Housing Authority. He stated that the auditors are not hired to investigate every transaction made by the Housing Authority to find fraud, but to review the controls set in place in the organization and monitor compliance with Federal, State and other programs. Representative sampling of transactions in all programs are conducted to determine material compliance and financial integrity. Material changes from prior years transactions are also reviewed. He recommended that the Board read the Management Discussion and Analysis for a detailed explanation of the activities that occurred in 2010. This portion of the audit report is created by Ms. Donna Smith, and is prepared in a way that it can be easily understood. Mr. Beck stated that the audit did not have any findings, and the Housing Authority had received an Unqualified Opinion. The Board and Mr. Carlson expressed appreciation to the staff, particularly Donna Smith for their efforts throughout the year.

- 2. Distribution of Draft of Provo City Housing Authority Annual Report:** Mr. Carlson distributed a draft copy of the Annual Report for 2010. Mr. Carlson stated that the report is produced in house, and is distributed to the City Council, the Mayor, and other interested entities. The Annual Report will also be available on the Housing Authority's website as required by changes to the Housing Authority Amendment by SB 197.
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Action Items

- 1. Election of Officers: Provo City Housing Authority and Provo Nonprofit Housing Development Corporation:** Chairperson Gale stated that each year at the Annual Meeting two members of the Board are elected to serve as officers to both the Provo City Housing Authority and the Provo Nonprofit Housing Development Corporation. These officers serve for one year.

Commissioner Richards nominated Commissioner Gale to serve as Chairperson and Commissioner Kau to serve as Vice-Chair. Commissioner Carlile seconded the motion. The motion passed unanimously 6:0.

- 2. Consideration of Establishing a Project Planning Budget for the Development of Family Homeless Housing:** Chairperson Gale referred the Board to Tab 3, which contained site information for the Mountainlands Community Action Agency. Mr. Carlson informed the Board about recent discussions with Community Action and United Way to create housing for homeless families located at the existing Community Action site. Mr. Carlson explained the benefits of having this housing at the proposed site, including the accessibility to proposed transportation hubs, and proximity onsite case management by Community Action. The Board discussed the merits and possibilities of a project of this nature, and the benefits to homeless families and the community. Mr. Carlson requested an allocation of not more than \$20,000 for feasibility studies and preconstruction activities.

Commissioner Carlile moved to authorize up to \$20,000 of Housing Authority funds for feasibility studies for the project. Commissioner Gardner seconded the motion. The motion passed unanimously 6:0.

Adjourn: Commissioner Lee moved to adjourn. Vice-Chair Kau seconded the motion. The motion passed unanimously, 6:0. The meeting closed at 5:35 p.m.
