

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



Regular Meeting

Date: Wednesday, August 28, 2013
Time: 4:15 p.m.-6:00 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 4:35 p.m. Chairperson Douglas Gale, Commissioner David Gardner, Commissioner Buddy Richards and Commissioner Valerie Lee were present. Vice-Chair Jonathan Kau and Commissioner Craig Carlile were excused.

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.

2. **Approval of Minutes for June 26, 2013:** Commissioner Lee moved to approve the minutes from June 26, 2013, Commissioner Gardner seconded the motion. The motion passed unanimously, 4:0.
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Report of the Executive Director

1. **Project Updates:** Chairperson Gale asked Mr. Carlson to update the Board regarding current projects.
 - a. **South Franklin Community Center:** Mr. Carlson stated that the while the ribbon cutting ceremony for the opening of the building was held last month, the building was not finished at that time. Mr. Carlson thanked the Board Members who attended the ceremony and explained the process of finishing the project, including obtaining the certificate of occupancy and meeting with Habitat for Humanity to go over the final budgets.
 - b. **St. Francis LIHTC Application:** Mr. Carlson stated that each year Utah Housing Corporation changes their priorities when creating their LIHTC (Low Income Housing Tax Credit) application and successful applications will modify their projects to comply with the new priorities. This year projects which have lower development costs per square foot will score higher than more expensive projects, where in previous years projects with features that were more expensive to implement were given higher priority. Mr. Carlson stated that he was working with the architect to modify the design of the St. Francis project to bring the development costs down in order to make the application more competitive. The Board discussed the elements of the project's design the preferred to keep, including the pod-corridor design which had minimal impact on the neighborhood and the cooling towers. The Board discussed options including waiting until LIHTC funding was less competitive or would have less impact on the design. The Board asked about design compliance requirements once funding was obtained, and if additional funding was acquired would the project be able to change the design. Mr. Carlson stated that the design requirements would be enforced by the Utah Housing Corporation. Mr. Carlson informed the Board that LIHTC funds are difficult to replace when developing affordable housing because they are equity, not debt. The Board encouraged Mr. Carlson to continue with the application, preferring that the option to obtain the funding remain open.
 - c. **Franklin Heights CROWN:** Mr. Carlson stated that he was ready to close on the Partnership Agreement for the project and construction should begin soon.
 - d. **PCHA 1 Plat C (Ekins):** Mr. Carlson informed the Board that this project has been one of the most difficult he has ever been involved with for going through the CRC approvals with the City. He stated that additionally he still has not reached an agreement with the City for the land exchange for the cul-de-sac development.
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- e. **Property Sales:** Mr. Carlson informed the Board that all six of the Supportive Housing homes have been sold, and four of the five PHA Energy Efficient homes have been sold. The home which hasn't been sold is the one which was set aside for a household of 80% or below AMI (Area Median Income). He stated that if the home is not sold soon, it will need to be rented to a family of 80% or below AMI, because of the time requirements of the HOME funds which were used for the development of the project.
2. **Commissioner Lee Reappointment:** Chairperson Gale referred the Board to Tab 2, which contained a reappointment letter for Commissioner Lee from Mayor Curtis. Commissioner Lee was reappointed until June 30, 2017.

Discussion Items

1. **Discussion of Appropriate Provo City Housing Authority Political Activity:** Chairperson Gale asked the Board to discuss the level of involvement they felt would be appropriate for the Housing Authority to be involved in assisting its senior residents to vote in the fall elections. April Smith, Owned Housing Manager stated that in the past the Housing Authority has given rides to voting locations and have offered voter registration forms at the front desk. The Board discussed opening discussions with United Way to have the senior resident buildings be pick-up points for their election-day shuttle efforts, as well as making voter registration forms available at the front desk.
2. **Executive Director Search:** Chairperson Gale referred the Board to Tab 3, and asked Mr. Carlson to update the Board on the Executive Director Search. Mr. Carlson stated that the updated matrix indicates that the search has progressed to step #6, and applications are no longer being accepted as of today. Fourteen applications have been submitted. Two of the fourteen are from local applicants and the remaining are from out-of-state applicants. Mr. Carlson stated that he expected to be less involved with the process from this point on, and the Board would be working more directly with Mr. Dauwer.
3. **Rental Assistance Demonstration (RAD) Application:** Chairperson Gale asked Mr. Carlson to lead the discussion about the Rental Assistance Demonstration (RAD) Application. Mr. Carlson reminded the Board that at the previous meeting he gave a brief presentation about the RAD program, an important program which would give the Public Housing program an opportunity to manage its properties with less oversight. Under current management by HUD it is very difficult to depend on stable Public Housing program funding, and current trends are that both the Operating Subsidy and the Capital Fund Grant have funding have declined annually. If the PCHA were successful with a RAD Application it would be able to end its contracts with Public Housing and manage the units much like private units, including having a greater opportunity to raise capital and modernize units by applying for 4% (non-competitive) LIHTC (Low Income Housing Tax Credits). Mr. Carlson stated he hoped to have an application ready for Board approval at the October Meeting.

Action Items

1. **Approval of an Amendment to the Provo City Housing Authority's Procurement Policy:** – Chairperson Gale referred the Board to Tab 4, which contained an Amendment to the Provo City Housing Authority's Procurement Policy. Mr. Carlson explained that HUD establishes a broad micro-purchase threshold of \$1,000 per purchase and gives Boards the freedom to adjust this purchase threshold up or down according to their judgment, as long as it is established in the procurement policy. Mr. Carlson stated that he would like to ask the Board to set the micro-purchase threshold at \$2,000. Commissioner Gardner moved to approve the Amendment to the Provo City Housing Authority's Procurement Policy adjusting the micro-purchase threshold to \$2,000. Commissioner Richards seconded the motion. The motion passed unanimously, 4:0.
2. **Approval of Housing Choice Voucher Cost Savings Measures:** Chairperson Gale referred the Board to Tab 5 which contained information about proposed cost-saving measures for the Housing Choice Voucher Program. Mr. Carlson stated that due to Sequestration the Housing Choice Voucher Program (Section 8) was facing drastic cuts nation-wide to both subsidy payments (which pay for tenant rents) and admin fees (which pay the housing authorities to administer the programs). Mr. Carlson reminded the Board that because of these cuts the Voucher

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program had already reduced its service from 883 vouchers to 875. In addition to the reduction of service, the Housing Authority will need to take additional measures to maintain the program at the current level of service of 875 vouchers. These cost-saving measures include: reducing the rent payment standard of 3 bedroom, 4 bedroom and 5 bedroom units; increasing the occupancy standard to two people per bedroom, regardless of gender; and ending the practice of beginning rental contracts on the day the unit passes inspection, and instead beginning all contracts on the 1st of the month following a passed inspection. Mr. Carlson asked Ms. Cindy Daley, Rental Subsidy Manager to explain in more detail how these practices would reduce spending in the program. After the Board discussed the importance of implementing these cost-saving measures, Mr. Carlson agreed with their consensus stating that the alternative is reducing service to the community and laying off employees. Commissioner Lee moved to approve the Housing Choice Voucher Cost-Saving Measures. Commissioner Richards seconded the motion. The motion passed unanimously, 4:0.

Adjourn: The meeting adjourned at 6:06 p.m. when the quorum was lost.

The next Regular Meeting of the Board of Commissioners of the Provo City Housing Authority is scheduled for Wednesday, September 25, 2013 at 4:15 pm.
