

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



Regular Meeting

Date: Wednesday, September 26, 2012
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 4:24 pm. The following Commissioners were present when the meeting was called to order: Chairperson Douglas Gale, Vice-Chair Jonathan Kau, Commissioner Craig Carlile, Commissioner Valerie Lee, Commissioner David Gardner, and Commissioner Buddy Richards. Commissioner Gardner was excused from the meeting at 5:30 p.m.

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

- 2. Approval of Minutes from July 25, 2012:** Chairperson Gale referred the Board to Tab 1, which contained the minutes from July 25, 2012 and asked if anyone had any questions or comments about the Minutes. Vice-Chair Kau noted that the date of the next meeting was incorrect. Vice-Chair Kau moved to approve the Minutes from July 25, 2012 with the correction of the date. Commissioner Carlile seconded the motion. The motion passed unanimously 6:0.
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Report of the Executive Director

Project Updates: Chairperson Gale asked the Executive Director to give his report.

LIHTC Applications: Mr. Carlson stated that currently biggest priority is the two LIHTC applications which are due on October 1, 2012. The St. Francis Apartments application will be competitive, and the Franklin Heights application is for a LIHTC earmark for through the CROWN program, and should be funded if the application meets application requirements.

PHA Sustainable Homes: Mr. Carlson stated Ms. Haley had been working with the real estate agent to improve the marketing material available for the PHA Sustainable Homes, and had updated the PCHA website to include information about the homes as well. Additionally, she had worked with an energy auditor to have the homes audited to receive a HERS rating. The HERS rating estimates the energy performance of the home. Lower scores indicate better efficiency. On average, a home built after 2006 will receive a score around 100, and according to its newly set standards, an Energy Star® home will need to have a HERS score of 75 or below. The three solar homes scored a 34, and the two geothermal homes scored 41, making these homes are extremely energy efficient. The Board discussed issues that might impact the interest in the homes, including the design of the cult-de-sac and the neighborhood location.

Franklin Heights (5th and 5th): Mr. Carlson stated that the in discussions with the Planning Commissioner regarding the zoning change, the Planning Commission had expressed interest in seeing different materials used in the exterior construction of the homes. Mr. Carlson stated that he had told the Commission that if he could find funding he would upgrade the exterior materials. Mr. Carlson stated that the zone change approval passed through the City Council fairly quickly.

Discussion Items

Board Retreat: Mr. Carlson reminded the Board of the upcoming Planning Retreat, scheduled for October 25th-28th. The 25th and 28th will be travel days with the 26th and 27th meeting days. We will hold a Board Meeting on October 26th, at 4:15, linked via Skype to a staff member at the anchor location of 650 West 100 North, Provo.

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Action Items

1. **Approval of PCHA Board Resolution 09-A-12 Approving Revision No. 1 to the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2012:** Mr. Carlson explained that one of the major revisions to this budget will be discussed in the budgets for FY 2013, otherwise the adjustments were routine.

Commissioner Gardner moved to approve Resolution 09-A-12 Approving Revision No. 1 to the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2012. Commissioner Richards seconded the motion. The motion passed unanimously 6:0.

2. **Budget Revisions for FY 2012:** Mr. Carlson stated that these programs are financially healthy, and the revisions represent routine year-end adjustments. The Board briefly discussed trends related to rental income and HUD subsidies and how their fluctuations affect the Housing Authority's day to day operations.

- a) **Approval of Revision No. 1 to the Section 8-Housing Choice Voucher Budget for the Fiscal Year Ending September 30, 2012**

Commissioner Carlile moved to approve Revision No. 1 to the Section 8 Housing Choice Voucher Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- b) **Approval of Revision No. 1 to the Capital Fund Grant Operating Budget for the Fiscal Year Ending September 30, 2012**

Commissioner Carlile moved to approve Revision No. 1 to the Capital Fund Grant Operating Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- c) **Approval of Revision No. 2 to the Discretionary Fund Operating Budget for the Fiscal Year Ending September 30, 2012**

Commissioner Carlile moved to approve Revision No. 1 to the Discretionary Fund Operating Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- d) **Approval of Revision No. 1 to the Permanent Housing Operating Budget for the Fiscal Year Ending September 30, 2012**

Commissioner Carlile moved to approve Revision No. 1 to the Permanent Housing Operating Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- e) **Approval of Revision No. 1 to the Shelter Plus Care Operating Budget for the Fiscal Year Ending September 30, 2012**

Commissioner Carlile moved to approve Revision No. 1 to the Shelter Plus Care Operating Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- f) **Approval of Revision No. 1 to the Supportive Housing Operating Budget for the Fiscal Year**

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Ending September 30, 2012

Commissioner Carlile moved to approve Revision No. 1 to the Supportive Housing Operating Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

g) Approval of Revision No. 1 to the Crimson Court Apartments Budget for the Fiscal Year Ending September 30, 2012

Commissioner Carlile moved to approve Revision No. 1 to the Crimson Court Apartments Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

h) Approval of Revision No. 1 to the Provo Westgate Budget for the Fiscal Year Ending September 30, 2012

Commissioner Carlile moved to approve Revision No. 1 to the Provo Westgate Budget for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously 6:0.

- 3. Approval of PCHA Board Resolution 09-B-12 Approving the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2013:** Mr. Carlson stated that the income in this budget is based on an estimated Operating Subsidy of 90% of what the program is entitled to receive from HUD, plus estimated rental income. Both incomes are likely to need revisions at the end of the year to accurately reflect what has happened through the year. Mr. Carlson went on to say that this budget includes an additional employee, a part-time position at \$15 per hour for accounts payable and other accounting duties. Additional issues include a recapture of a percentage of the Operating Reserve by HUD. This has already happened for FY 2012, but we are planning on spending some of the Operating Reserves in 2013 to avoid recapture.

Commissioner Carlile Moved to approve Resolution 09-B-12, Approving the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Gardner seconded the motion. The motion passed unanimously.

- 4. Budget Approvals for Fiscal Year 2013:** Chairperson Gale asked Mr. Carlson to inform the Board of any issues or concerns related to the budgets for the programs with Fiscal Years Ending September 30th. Mr. Carlson noted that these programs are the core Housing Authority programs which are funded by HUD, included the previously approved Public Housing budget. New to this group of budgets are the Crimson Court and Westgate Apartments, as their tax credit periods have come to a close.

a) Approval of the Section 8-Housing Choice Voucher Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Section 8 Housing Choice Voucher Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

b) Approval of the Capital Fund Grant Operating Budget for the Fiscal Year Ending September 30, 2013

Vice-Chair Kau moved to approve the Capital Fund Grant Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

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c) Approval of the Discretionary Fund Operating Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Discretionary Fund Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

d) Approval of the Permanent Housing Operating Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Permanent Housing Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

e) Approval of the Shelter Plus Care Operating Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Shelter Plus Care Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

f) Approval of the Supportive Housing Operating Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Supportive Housing Operating Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

g) Approval of the Supportive Housing Grant Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Supportive Housing Grant Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

h) Approval of Crimson Court Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Crimson Court Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

i) Approval of Provo Westgate Apartments Operating Budget for the Fiscal Year Ending September 30, 2013:

Vice-Chair Kau moved to approve the Provo Westgate Budget for the Fiscal Year Ending September 30, 2013. Commissioner Richards seconded the motion. The motion passed unanimously, 6:0

- 5. Approval of PCHA Board Resolution 09-C-12 Authorizing the Write-off of Collection Losses for the Fiscal Year Ending September 30, 2012:** Mr. Carlson stated the Housing Authority staff tries to keep collection losses low, and while these debts are written off for accounting purposes, they are still pursued by the collection agency. Commissioner Carlile moved to approve Resolution 09-C-12 Authorizing the Write-off of Collection Losses for Year Ending September 30, 2012. Commissioner Richards seconded the motion. The motion passed unanimously 6:0.

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6. Approval of PCHA Board Resolution 09-D-12 Authorizing Non-Expendable Equipment Write-offs for the Fiscal Year Ending September 30, 2012: Mr. Carlson stated that the equipment on this list had reached the end of its useful life. Commissioner Gardner moved to approve Resolution 09-D-12 Authorizing Non-Expendable Equipment Write-offs for the Fiscal Year Ending September 30, 2012. Vice-Chair Kau seconded the motion. The motion passed unanimously, 6:0.

7. Authorization to Submit two Federal Low-Income Housing Tax Credit Applications: Mr. Carlson noted that agenda item #7 should be plural, as there are two applications, one for St. Francis Apartments, and the other for Franklin Heights CROWN. Mr. Carlson referred the Board to the two drafts of the applications and the Board discussed issues related to the applications, including: additional funding sources, zoning related to the projects, other projects and the competition for LIHTC funding.

Commissioner Lee moved to authorize the submittal of both Federal Low-Income Housing Tax Credit Applications. Commissioner Richards seconded the motion. The motion passed unanimously, 5:0.

8. Approval of an Amendment to the Articles of Organization of St. Francis Housing Partners, LLC: Chairperson Gale referred the Board to Tab 9, which contained an Amendment to the Articles of Organization of St. Francis Housing Partners, LLC. Mr. Carlson stated that this LLC was created as the development entity, which must be a for profit organization to receive tax credits. The investor who purchases the tax credits will be the 99.9% owner and the Provo Nonprofit Housing Development Corporation will be the .01%.

Commissioner Richards moved to approve the Amendment to the Articles of Organization of St. Francis Housing Partners, LLC. Vice-Chair Kau seconded the motion. The motion passed unanimously, 5:0.

9. Approval of an Amendment to the Operating Agreement of St. Francis Housing Partners, LLC: Chairperson Gale referred the Board to Tab 10, which contained an Amendment to the Operating Agreement of St. Francis Housing Partners, LLC. Mr. Carlson stated that this Amendment is necessary at this point in the development of the entity, and will likely be amended and restated when we sign contracts with investors for the tax credits.

Vice-Chair Kau moved to approve the Amendment to the Operating Agreement of St. Francis Housing Partners, LLC. Commissioner Carlile seconded the motion. The motion passed unanimously, 5:0.

10. Approval of a Real Estate Purchase Contract for the Sale of a 1.301 Acre Parcel of Land Located at Approximately 450 West 200 North, Provo to St. Francis Housing Partners, LLC for the Sum of \$780,000: Mr. Carlson stated that this contract allows St. Francis Housing Partners, the developing entity, to purchase the St. Francis property from Provo Nonprofit Housing Development Corporation for the development of St. Francis Apartments. The sum is the appraised price of the land less the cost of the Taylor House.

Commissioner Carlile moved to approve the Real Estate Purchase Contract for the Sale of a 1.301 Acre Parcel of Land Located Approximately 450 West 200 North, Provo to St. Francis Housing Partners, LLC for the Sum of \$780,000. Commissioner Richards seconded the motion. The motion passed unanimously, 5:0.

Adjourn: Commissioner Richards moved to adjourn. Vice-Chair Kau seconded the motion. The motion passed unanimously, 5:0. The meeting adjourned at 6:04 p.m.

The next Regular Meeting of the Board of Commissioners of the Provo City Housing Authority is scheduled for Friday, October 26, 2012 at 4:15 pm.
