

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS MEETING
Friday, August 2, 2014

MINUTES

Board Members Present:

Creighton Cox, Beverly Evans, Debbie Fisher, Joe Gonzalez, Kathy Gray, Luke Gray, Lance Henning, Christine Hensley, Steve Patterson, Sean Pelletier, Elizabeth Presutti, Troy Thompson, Steve Van Oort

Board Members Absent: Angela Connolly, Linda Westergaard

Guests: Pam Carmichael, Executive Director, HOME Inc, Diana Deibler, Deibler & Company

Staff: Eric Burmeister, Lori Kauzlarich, Josh Hellyer, Tracy Levine

Strategic Plan

Eric Burmeister opened by giving an overview of the morning, "Housing Tomorrow" engagement exercise. This is a dynamic process that has been used to gather information from different groups unfamiliar with affordable housing. It helps to begin focusing on what people think are the community priorities, opportunities, and challenges around affordable housing.

Eric turned the meeting over to Josh Hellyer, Policy and Communications Coordinator, who is processing the gathered information along with the assistance of a steering committee. Josh presented three questions to the board for discussion:

- 1.) What is affordable housing?
- 2.) What barriers are in the community to prevent affordable housing?
- 3.) What are opportunities to increase affordable housing throughout the area?

After a lively 40 minute discussion, Eric asked if there are board members interested in having Eric and/or Josh make a similar presentation to their group, to let him know. These presentations will be given throughout the year with goal of having a regional plan by April, 2015.

Business Meeting

Debbie Fisher, Chair, called the Business meeting to order at 10:40 am.

Approve Agenda

Steve Patterson moved to approve the agenda; seconded by Creighton Cox; Carried unanimously.

Approve August 1, 2014 minutes

Lance Henning moved to approve August minutes as written; seconded by Sean Pelletier; Carried unanimously.

2. Report of the Operating and Supportive Service Committee

2.1 Recommend approval of 2014/15 Capacity Building Grants

Eric Burmeister started the discussion, by explaining that there is a "Request for Proposal" (RFP) for capacity building grants each year. These government dollars (bricks and mortar funds) are for programs that directly produce or protect inventory of affordable housing units in the county. The Development Committee recognizes programs exist that produce or protect inventory. It is not solely new construction and rehabilitation. With board approval in June, the Committee allocated \$150,000.00 for Capacity Building and delegated award of these funds to the Operating and Services Committee (OSS). Three applications were received. The table (handout) under the recommendation shows the amount requested, units preserved or created, and other pertinent information.

A motion was made by Kathy Gray to accept the OSS Committee recommendation for approval of the 2014/15 Capacity Building grants; seconded by Steve Patterson;

Open for discussion, Eric said the Committee uses the same matrix as they look at development funds in terms of units created, cost per unit and the population where the particular units are targeted. These program applications, two of which have been funded in the past, include:

The **Anawim Housing** program, "Self Sufficiency" helps clients in Shelter plus Care households (those people who are formerly homeless; showing some form of physical or mental disability or HIV positive) increase their income and thus, the amount they can contribute to their rent. As more is contributed to rent, the more is available to serve others. The assistance for the Shelter plus Care population includes coordinating existing services. The program has proved to be successful with last year's (second year) twenty participants seeing an increase in earned income of \$184,000.00 freeing \$49,050.00 in rent subsidy intended for others. The grant request: \$94,500, recommendation: \$60,000

Iowa Legal Aid submitted a renewal application for its prior year's grant for \$40,000. The grant funds a program that assists borrowers facing foreclosure to modify their mortgage loans and reduce the monthly payment. The request: \$40,000.00, recommendation: \$40,000.00.

Primary Health Care submitted an application for a new program aimed at opening market rate affordable units to people with other barriers to housing such as past evictions criminal history or low credit scores.

Primary Health Care (PHC) is the recipient of an RFP from the Continuum of Care board to handle centralized intake, assessment and placement. This Housing

Navigator program is a part of a larger community effort to find permanent housing for households that make less than 30% of annual median income. The program is based on PHC's success in relocating the residents of the Randolph Hotel. The first year's goal is to find an additional 30 units of market rate affordable housing in the community.

Funding is being sought by PHC from several groups including Polk County Housing Trust Fund. Eric said it would be appropriate for PCHTF to support because it is putting together a landlord database with private landlords to house folks that have high barriers to housing. The number of units that otherwise would be unavailable increases.

One of the parts of the program is the Housing Navigator advocate position to put together the centralized placement and assessment for the community. The request: \$50,000.00, recommendation: \$50,000.00.

Motion carried unanimously.

3 Report of the Development Committee

3.1 Recommend approval of modification of terms of YMCA loan.

YMCA Permanent Supportive Housing Campus requested that the PCHTF modify its outstanding Note by making the final five installments forgivable, subject to the property's continued use as permanent affordable housing. During its presentation, the Y staff addressed its last five year's financials, demonstrating that the property did not have sufficient cash to meet its \$7,143.00 debt service to PCHTF.

The Development Committee recommends that the final five payments be forgiven subject to the Y agreeing to continue to use and hold those units for this particular population. There are currently 140 units and they want to add 90. This is housing that is very needed in the community. Basically, it has replaced the Randolph.

Steve Van Oort made a motion to approve the recommended approval of modification of terms of YMCA loan; seconded by Beverly Evans; Carried unanimously.

3.2 Recommend approval of HOME Inc. contract extension.

HOME Inc. has requested a 12 month extension on its contract for its Clark Common's project to August 1, 2015. The existing contract expires this month. Contracts are good for two years from the date they are made. There is an existing contract on the project for \$125,000.00 in the form of a grant. This has not been paid. The project is in the middle of completion. Since going to press, Pam has made a \$54,000.00 draw request on that \$125,000.00, which is being processed in the PCHTF office. For the contract, in order to keep that obligation alive on the project, there needs to be an extension.

This 3.2 recommendation and the following 3.3 were decided to be similar enough to vote on together.

3.3 Recommend approval of HOME Inc. contract modification.

Another request HOME Inc. has made is for an additional PCHTF grant of \$125,000.00 for its Clark Commons project due to cost overruns and other expenses that have occurred since the contract was approved two years ago. The project is a 5-unit rental development for households making less than 30% of annual median income. In August of 2012, the board voted to approve an initial grant of \$125,000.00. The current request will result in PCHTF's contribution to the project of \$259,000.00. The project will be owned and managed by HOME, INC.

The current application shows the following additional project costs:

Increased construction and site costs	\$45,922.00
Increased General Contractor costs	\$62,780.00
Increased Developer fee	<u>\$45,000.00</u>
TOTAL	\$153,000.00

At the Development meeting, the Committee discussed the length of time and cost increases. They expressed concern on the time it has taken. Pam Carmichael, executive director of HOME Inc assured the Committee (and now the board) that the increased investment will allow the project to finally be completed by December 31, 2014.

Next, the Development Committee will be focusing on amendments to the Housing Allocation Plan in order to address caps on General Contractor and Development fees for future projects. Recommendations on these will be presented at the October board meeting.

Furthermore, the Polk County Housing Trust Fund's policy is to ask developer clients to begin looking for more of their operating expenses out of the bricks and mortar money. When a project is requesting funds, all operating expenses are to be included, as opposed to solely relying on OSS money.

Pam elaborated on the project, its budget and cost. She explained that HOME Inc is a developer and a general contractor concentrating on single family home ownership development. Pam reviewed the project's history, the audience it serves and the costs and fees involved.

Lance Henning moved to accept both Development Committee's recommendations made to extend the original \$125,000,00 contract completion date to August 1, 2015 and to approve the HOME Inc request of the increase of \$125,000.00 to the Clark Commons project contract; seconded by Kathy Gray; Carried unanimously.

An amendment was offered Christine Hensley to amend the Motion by limiting the fee from 15% to 12%. Further discussion ensued with a lot of competing opinions. No second was offered to Mrs. Hensley's amendment. A vote was called by Chair Debbie Fisher based on the previous motion and the second on the table, to approve the Committee's recommendation; eleven approved, two opposed; (Hensley, Pelletier) Motion carried.

4. Report of the Marketing Committee

Diana Deibler started by asking the board if PCHTF is doing enough (with limited resource capacity and staff) to ensure the organization is on the right track. She requested feedback on where the board seeks value when it comes to the advocacy effort.

As Diana explained, this year's challenge was how to take the "Can I Be Your Neighbor" campaign to the neighborhoods. Financially, another component was the cost involved. She acknowledged the generous donors who supported the Jazz in July program as a vehicle to allow this to happen.

Advocacy requires being persuasive through education. An insert was created for each of the sixteen neighborhoods (Jazz in July concerts) with information about the neighborhood visited and how a "neighbor" would fare when it came to availability of housing in the area they could afford. Marketing collateral for visibility and promotion was developed.

Diana continued by saying advocacy is also part of promoting and supporting best practices. PCHTF nominated Primary Health's outreach team and their work related to relocating the Randolph Hotel residents. This first ever category recognizes an innovative approach to problem solving. The winner will be announced at the September 3 "HousingIowa" Innovation Award luncheon.

From the media relationships developed, there have also been occasions when Eric has been sought out as an expert for the Housing Trust Fund and for affordable housing. Sometimes, it is seeking background information and other times the results are written articles. The public is hearing a lot of messaging, consistent with advocacy for affordable housing. One recent effective example is "Affordable housing is not just a social service problem; it is an economic development opportunity."

Another accomplishment this year by the Marketing Committee was to grow the "Affordable Housing Week" of events. Some of what worked well in the past was kept and other new ideas were added. Diana highlighted these for everyone, beginning with the city proclamations and the bus tour (focusing on the east side with attention paid to the "Tomorrow Plan,"), pointing to the Trust Fund's lead position being taken for the regional approach to planning.

The week's events continued with high school students taking the challenge to design affordable housing for a fictitious family. Also included in the activities was the shared sponsorship with MPO of the Business Record's "Commercial Real Estate Forum," attracting leaders, developers and others in the business community for a discussion.

Diana returned to her earlier probe to board members asking if these are the right things when it comes to advocacy? "Is this what you had in mind for how we are reaching out to share the story?"

At a recent Marketing Committee meeting, members recommended expanding from a week to a month, April 2015, "Affordable Housing Month." The idea is how to help with a platform for provider partners and anyone in the community who has a vested interest and the desire and resource to help affordable housing with a forum. A week did not seem like enough was the finding of the Committee.

Comments followed with one board member asking about communities supporting the initiative with words and action with the next step for financial re-zoning to make the transaction easier. Other good ideas were shared.

Another person recommended reaching out to neighborhood groups through their own channels for expanding the "Can I Be Your Neighbor" message and, consequently, the reach. Each central Iowa city has its own set of "local" activities.

When pressed about expanding the affordable housing time period to a month, there were varying opinions. Maybe not a month but extend it out so that more groups may participate was the general consensus.

There being no further business, the meeting was adjourned at noon.

Respectfully submitted,
Tracy Levine
Administrative Coordinator