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## Meeting Minutes

### Homes for Good Housing Agency

#### BOARD OF COMMISSIONERS

##### Location of the meeting:

Board of County Commissioners Conference Room, Public Service Building, 125 East 8<sup>th</sup> Avenue, Eugene, OR, 97401

**Phone:** 541.682.2506

The meeting location is wheelchair-accessible. Anyone needing special accommodations (deaf, people with hearing loss, language translation, chemical sensitivity needs, and large print copies of agenda), please make your request at least 48 hours prior to the meeting.

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### Wednesday, July 25<sup>th</sup>, 2018

(2:30 p.m.) (Board of County Commissioners Conference Room)

#### 1. #PUBLIC COMMENTS

*Sharon Lindsley:* Addressed the board regarding the renewal of her Section 8 status. Ms. Lindsley requesting Homes for Good to have her Section 8 re-instated.

#### 2. COMMISSIONERS' RESPONSE TO PUBLIC COMMENTS AND/OR OTHER ISSUES AND REMONSTRANCE (2 min. limit)

Jacob Fox: We have resources we can potentially provide you other than Section 8. We were investigated by Boli as well as Senator Weiden's office and we were cleared of any violations regarding the removal of your Section 8 voucher. There was complete transparency involved in this investigation.

Char Reavis: Homes for Good will reach out to you (Sharon) with additional resources.

#### 3. ADJUSTMENTS TO THE AGENDA

#### 4. COMMISSIONERS' BUSINESS

- *Gary Williams – Excused*
- *Pete Sorensen – Excused from meeting at 3:20pm*

#### 5. EMERGENCY BUSINESS

#### 6. EXECUTIVE SESSION

#### 7. ADMINISTRATION

A. Approval of Minutes: 06/27/2018

*Motion to approve minutes: Jay*

*Motion seconded: Michelle*

*Motion is approved unanimously 6/0 with Gary Williams excused*

B. Executive Director Report (Jacob Fox, Executive Director)

**Jacob:**

- This report is covering May and June. We wanted to give you an update on Moss Adams. This was our first year working with them. Since this was their first year they performed a more in-depth and robust audit. Valerie Warner, Jeff Bridgens, and members of the team worked diligently to get through the audit with no findings.
- I have been engaging in job shadowing with various members of Homes for Good staff. I recently spent half a day with Marily Cruz who works in our Weatherization/Energy Services department. It is an awesome team with really good people and Marily cares deeply about our mission. I spent the morning assisting her with a mailing project.
- There is a lot going on related to new funding. Beth Ochs and her team have applied for additional funds for 80 mainstream vouchers which is about half a million dollars a year in additional rent assistance to our community if that application is successful. We worked with Sponsors, Laurel Hill Center, and Lane County on that application. We have also applied for an additional 70 vouchers for the Family Unification Program (FUP). I want to acknowledge Susan Sowards from LCOG who assisted us with these applications. She was amazing to work with.
- The Housing First project was awarded three million dollars in funding from the State of Oregon. This will allow us to pursue a 4% low-income tax credit allocation. Nora Cronin submitted the \$750,000 funding request to the Federal Home Loan Bank as well as a \$500,000 request to the Oregon Health Authority. We also have a request in with Kaiser and Peace Health for \$750,000 apiece. Due to Karen Gaffney's advocacy, we received a \$500,000 commitment from Trillium.
- We also held our 25-year Family Self Sufficiency Program Celebration that Pat Farr, Michelle Thurston, and Char Reavis attended.
- **Pat Farr:** It's wonderful to see the MLK project moving forward, it is exciting.
- **Char Reavis:** It's amazing and I love that everyone is working together to make this happen.
- **Pat Farr:** What is notable is that this project is going to be groundbreaking in its nature. I spoke about the MLK project and people are very interested and it's getting a lot of attention.

C. **Work Session/Homes for Good 2018 Budget Work Session (Valerie Warner, Deputy Director and Jeff Bridgens, Finance Director)**

**Jacob:** Introduces Darlene Kelly (Property Management Division Director), Beth Ochs (Rent Assistance Division Director), and Curtis Wyant (IT Director).

**Valerie Warner:** This is a mid-year review to focus on FY18 and how it is looking. We will also talk to you about the ideas regarding the 2019 budget. What I would like to get from you is how the board would like this presented going forward.

### **Overview of budget to actuals from 2016 to 2018**

PowerPoint Available on the Homes for Good Website under "Board Materials"

#### **Valerie Warner:**

- Discusses staffing changes as a result of budget planning. The reduction in IT became an issue over time. You should see the FTE change regarding the IT budget for FY19. The budget proposal will see FTE changes.
- There is a slide that was not included that shows all our programs on one page. Instead of presenting that large amount of data, I am highlighting some the programs with the largest impact which are: Housing Choice Vouchers/Rent Assistance, Asset Management, and Development.

### **Housing Choice Voucher Program**

#### **Valerie Warner:**

- Presents an explanation of the revenue types from the Housing Choice Voucher Program/Section 8 program.
- Last year, I added financial policies portion which is a guideline for our targets. If we do not spend our allocation, HUD holds on to those additional funds. Last year, HUD held HAP (Housing Assistance Payment) reserve. We do not have access to these funds however if we need it, we can request unused funds from HUD. Currently we have about \$500,000 if the Homes for Good HUD Held HAP Reserve.

**Pat Farr:** Is there a reason there is such a difference in admin changes and the HUD allocation. Has HUD been overpaying?

**Valerie Warner:** It is dollars per voucher. When I projected HAP revenue, it was a lower number. Because I know the HUD Held HAP Reserve exists and I know that we are going to request them to disperse it to us if we spend more on HAP, I adjusted that number up to so that it would be equal to the HAP expense.

**Beth Ochs:** When we projected our HAP revenue, we initially thought per calendar year of 2018 for the Section 8 program we didn't expect all the vouchers to be utilized because we didn't have enough HAP money to do so based on the projected per unit costs in Lane County. Therefore, the admin fee gets adjusted accordingly. Due to increased funding levels, we can utilize all the vouchers.

**Jacob Fox:** The other variable is HUD prorations.

## **Presents Per/Unit Cost Chart for Voucher Holders**

### **Valerie Warner:**

- It is moving up but not too fast. Additionally, the admin reserve \$766K. It is moving around \$2.1- \$2.2M. We don't expect HUD to pull back our reserve. This program has a lot of things that are trying to be balanced. Vouchers go up and down and it can be a hardship on staff responding to these vouchers changes.

**Jeff Bridgens:** In 2017, we had much higher voucher utilization. We were not doing as many leasing activities to fill those vouchers. Now Rent Assistance is now back in that "lease up" phase so what you are seeing 2017 actuals is a reflection of the beginning of the year.

**Valerie Warner:** More information regarding the voucher program will be coming to you in 2 months.

**Jacob Fox:** Under Beth's leadership we have a meeting monthly with HUD to help manage our lease rates so we do not lose money.

## **Overview of Public Housing Units Reported to HUD**

**Valerie Warner:** Rent is stable as well as the operating subsidy for 2018. In audited financial reports we included our CAP fund contribution. In the admin expense line, 2014 public housing was in the hole \$400k. Darlene helped to keep the budget stable and the reserves going.

**Darlene Kelly:** Though we weren't in the hole, we have been doing preventative maintenance. We also cut a lot of contracts and took on more work in house which saved us \$60k which increased our reserves amount.

**Valerie Warner:** When you receive the budget you will be able to see the individual properties.

**Valerie Warner:** Our public housing reserve target was \$1.3M and we have exceeded that target. It can't go to salaries or capital projects.

## **Overview of COCC – Central Office Cost Center Budget**

### **Valerie Warner:**

- In the 2018 fiscal year budget we included a transfer from development into the COCC. On the admin side, we were shrinking the budget. We cut costs through the FTE changes. The Fee for Service department performs maintenance work for our properties then they bill us for that service. Their revenue will show up in this document.
- We overspent in FY18 in the COCC. The reason why we overspent was to hire a firm to perform our IT strategic plan. It helped us shape our IT plan moving forward. Our former IT Director Retired so we paid out his non-used vacation time. Finally, the finance department required additional expenses for temporary assistance.
- 2016 we had a finding that we were too aggressive in recovering overhead costs. As a result, we became more conservative in our 2017/2018 budget. We also hired a consultant in 2018 to

review our cost allocation plan. Since then we have had changes to staffing. We may bring back a consultant to help determine if we have properly allocated front-line costs.

**Jacob Fox:** We are developing the infrastructure regarding updating our internal systems and will continue to be transparent about those processes. Nan-McKay has also come in and helped us rebuild our policies. We are essentially rebuilding our organization from previous leadership that didn't put certain measures in place.

**Sid Leiken:** Glad to hear Homes for Good is discussing best practices.

**Jacob Fox:** We are working towards transitioning from a "houser" to a supportive housing provider and eventually service provider in addition to supportive housing. Beth Ochs and Darlene Kelly are both budgeting for additional positions to support enhanced residence services arm to help address additional residents' needs.

**Pat Farr:** Are you talking about behavioral health services or living assistance services?

**Jacob Fox:** Potentially we could add a clinical social worker to help facilitate enhanced medical support services at our properties.

**Pat Farr:** I can see the potential in service providers and look forward to hearing more about that direction.

**Jacob Fox:** We are working to develop complimentary services and not redundant services with Lane County.

**Michelle Thurston:** Are we interacting more with community services as well.

**Jacob Fox:** Yes we are.

**Michelle Thurston:** Are there additional costs with this plan?

**Jacob Fox:** Not necessarily, this is something that resident services does.

**Darlene Kelly:** We are seeing more people struggle to live independently. As the age of our residents increases so there is a need for more resident services for our aging population.

**Valerie Warner:** The majority of expenses are in Development and Asset Management. In fiscal year 2018 we collected \$1.8M in development fees. The developer fee will support the departments for the next 2 years. This will replicate to keep these departments going. As well as the sales of properties. The development activity can fluctuate over the years. We would like to know how to better present this to you. As of today, we have \$1.2M in revenue from development and \$1.4M from the sale of scattered units.

### **Overview of Fiscal Year 2018 Accomplishments**

**Valerie Warner lists the FY18 accomplishments**

- Energy Performance Contract
- Scattered Site Sales
- Glenwood Project
- South 67<sup>th</sup> Project
- Taney St. Project
- Housing First Launch
- Market District Commons Project
- Sheldon Village Rehabilitation
- Richardson Bridge Rehabilitation
- Homes for Good New Admin Building
- River Road Sale
- Resident Services Changes

**Valerie Warner lists the Upcoming FY19 Projects**

- Homes for Good Equity Work
- Housing First
- Firwood Apartments Rehabilitation
- New Admin Building Remodel
- Strategic Plan
- Growth of the IT Infrastructure

**9. OTHER BUSINESS**

Adjourn

Please note this is a short excerpt of the proceedings, a full recording of the meeting is available upon request by emailing [amccoy@homesforgood.org](mailto:amccoy@homesforgood.org).