



Beaufort Jasper Housing Trust (BJHT) Board Meeting Minutes

April 15, 2024

Attendance In Person

Board Members: Christian Kata, Dick Stewart, Ethan James, Jan Malinowski, James Williams and Wendy Zara

Staff: Claude Hicks, Dana Totman and Jennifer Tuckwiller

Attendance Virtually

Board Members: Michelle Gaston and Victoria Smalls

Guests: Quincy White (Chief Housing Officer TOHH), Van Willis (Town Manager, Town of Port Royal)

Call to Order

Chair Dick Stewart welcomed everyone and called the meeting to order at 10:04am.

A quorum of members was not present at the beginning of the meeting, so Dick S. asked Dana T. to begin his discussion on the RFP Update/Funding Decision item on the agenda. A quorum of members was reached at 10:14 during the RFP Update/Funding Decision discussion led by Dana T.

RFP Update/Funding Decision

Dana took a few moments to explain the origin of the RFP's that were released in February/March. In November the Board held a retreat and during that event, a consensus was reached on 3 areas of need for BJHT to build programming around. Rental housing development, assisting first time homebuyers and home repairs. The Board also decided upon funding totals for each of the program areas: Rental development, \$3,402,405 as the largest portion; Homebuyer Assistance, \$475,000 and Home Repairs, \$475,000. In December the Board unanimously approved a Program Plan to develop RFPs for these 3 areas and open up these programs to the public to apply.

The rental development program was designed to be delivered in 3 tranches: Spring 2024, Fall 2024 and Spring 2025, with roughly \$1,134,402 in funding available each time. The RFP for Rental Development was approved unanimously by the Board in January and the Homebuyer Assistance and Home Repair RFPs were approved unanimously by the Board in February. We received 3 proposals in response to the rental RFP and one has subsequently removed itself from consideration. One submittal has been evaluated and there is another that is currently being considered and more information may be needed to evaluate it fully. Dana expected proposals from 2 other rental projects in the area. One from Woda Cooper, working in partnership with the Beaufort Memorial Hospital. Dana understands that they are delaying the project until the fall. The other

project is the downtown Beaufort jail project. Early talks with the developer indicated that they would be requesting funds, but no application was submitted.

Dana provided a general discussion surrounding SC Housing's tax credit programs for rental development and the point system that ultimately determines eligibility for the highly competitive federal tax credits. Developers look to have "layers" of funding that will make the projects feasible and BJHT can play a part by providing funding through our RFP's. As developers work through the scoring process, they weed themselves out based on their scoring. Some will delay the project for a year or two before they go back to SC Housing to reapply. Of note, it is virtually impossible to qualify for these tax credits in the southern part of the County due to a scoring category that specifies being located near 1000 jobs within a small mileage radius. In short, affordable housing, its funding mechanisms, and the scoring criteria for securing that funding is incredibly complex.

Bennett & Reindl Companies has applied to our Rental RFP program. They are also applying to SC Housing for federal tax credits in May 2024. Of note, Jasper County has not received funding in the last 5 years. So, there is a separate set aside for these counties for funding from SC Housing. Bennett & Reindl Companies is asking for \$400,000 from BJHT with a proposed loan term of 20 years at 2.5%. David Bennett spoke with Dana earlier during the proposal process and asked if there was any way to get \$440,000 in funding, because doing so, would afford his proposal another point within the SC Housing scoring matrix. Dana told Mr. Bennett that he would not be able to commit to any increased funding but that it was something that the Board may consider depending upon the number of proposals and the amount of funding requested within those proposals. The development will create 80 new households and will serve tenants within 20-80% AMI with an average of 56% per state criteria. The expectation is that the project will remain affordable for 45 years per the proposal. Dana recommended approving the increased amount of \$440,000 because of the impact of the increased score on their SC Housing application for LIHTC funds.

Dick S. asked for a motion on the recommendation to provide Bennett & Reindl Companies \$440,000 in the form of a loan for 20 years at 2.5% interest. Wendy Z. made the motion and James W. provided the second. The motion passed unanimously.

Approval of Minutes

The minutes from the Board meeting on March 26, 2024, were presented for approval. An addition was made to correct the "Approval of Minutes" section to add that the motion passed unanimously. A motion was made by Jan M. and a second by Christian K. to approve the minutes with the above correction. The motion was approved unanimously.

Financial Report

Michelle G. reviewed the financial management reports for the month ending March 31, 2024. The report outlines revenues that the Trust has or is expected to receive by June 30, 2024. We have received \$2,035,058 from the participating jurisdictions and expect to receive another \$500,000 as part of their cost share for operations in Year 2. The billing should go out in the next 6-7 weeks to receive before the beginning of our next fiscal year on July 1, 2024. The Trust received a \$3,000,000 grant from the State of SC and has earned \$88,900 in interest on our deposits. Total revenue of \$5,639,024.02. The Trust continues to incur normal operating costs to get the Trust up and running. The major expenditure is the administrative fee to Community Works in the amount of \$203,505.80. The balance sheet reflects the Trust's 5 different accounts. The funds are separated to separate the funding from the municipalities from other funding sources. The Trust has access to all the accounts to fund projects as they are approved by the Board. The \$500,000 payment to Community Works for the Carrington Manor project is shown as a long-term asset on the balance sheet. This is a loan and will have the opportunity for repayment, but BJHT won't see those payments until year 7 or later. Michelle G. explained that our accounting is being provided by Angela Jackson. She manages all the expenses and reports for the Trust. Angela also ensures that the Trust has a proper audit trail and maintains proper internal controls. Angela Jackson has been working on a month-to-month basis, but she has submitted a proposal for a year's contract. Board leadership decided that the accounting needed to be done by an independent contractor and Angela Jackson came highly recommended by Habitat for Humanity. Habitat is an organization that has construction projects, relationships with vendors, mortgages, etc. The fact that Angela Jackson was also available was fundamental in getting the Trust operational in December. Christian K. made a motion to accept the report as submitted, second by Jan M. The financial report was approved by a unanimous vote.

RFP Update/Funding Decision (continued)

Dana resumed his discussion on RFP's. He wanted to let the Board know that there is another proposal for a 4-unit development from Ninety-Seven, LLC. They are requesting \$36,000 for the project. Staff has requested additional information due to missing information. Their application is still in process.

The Home Repair and Homebuyer programs were oversubscribed. We had six (6) proposals submitted for Home Repair and requests totaling \$785,000. The Homebuyer Assistance program had five (5) proposals submitted with requests totaling \$365,000. The original tranche of funding for each of those programs was \$250,000 for this round of funding. Dana reported to the Board that some of the amounts requested exceeded qualifications on the RFP and that staff has included eligible funding amounts of \$619,000 for Home Repairs and \$365,000 for Homebuyers.

Dana explained that the Board has choices in making some of these funding decisions. He also reiterated that since the rental program was undersubscribed it is his recommendation to move \$200,000 from the rental program to Home Repairs and

\$75,000 from the Rental program to the Homebuyer program. This will enable the Board to fund more of the applicants. Dick S. also gave an overview of the State's Home Repair program and the barriers associated with operating a home repair program that is funded by the State. This may be another avenue for BJHT to pursue additional funding for home repairs. It was also discussed about BJHT will monitor the repairs after funding has been distributed. There will be an agreement between BJHT and the organization that receives the funding; the agreement will outline requirements, reporting, etc. It was also discussed that BJHT needs to engage with an attorney to get these agreements drafted.

Dana reported that Beaufort and Jasper Counties have had 10 or less first-time homebuyer loans. He reminded the Board that if we fund the Homebuyer program fully, BJHT would impact 42 homebuyers, nearly double what has been done with SC Housing. There was a question about why the SC Housing program isn't used. It was discussed that the process is cumbersome and intimidating. Continually educating people seeking their first homes is key. Beaufort Jasper EOC is one of the organizations providing these classes.

The Board continued the discussions about moving funds - there were many positive comments about how the requesting organizations are spread throughout both counties and the other jurisdictions. After more Board discussion about the great need for these programs and how funding these programs now, can make a difference, Dick S. called for a motion. James W. called for a motion and Wendy Z. provided the second to reallocate \$200,000 from the Rental program to the Home Repairs program and reallocate \$75,000 from the Rental program to Homebuyer program. The motion passed unanimously.

Board Committee Discussion

Claude Hicks began the discussion that Staff is proposing the 3 committees: Finance and Administration, Governance and Programs. The Finance and Administration committee would be responsible for financial oversight, fundraising and development, personnel, and marketing. The Governance committee would be responsible for nominating, public policy, advocacy, document review and stakeholder relationships. The Programs committee would oversee all programmatic RFP approvals and all new program initiatives. Staff also proposes that committees meet every over month and Board meetings would move to every other month. This schedule would allow for committee meetings in between Board meetings. Individual charters will be written for each committee. Claude asked for the Board to think about the committee structure, the scheduling of committee/board meetings and think about what committee you might like to serve on.

Claude stressed that as BJHT moves forward we need to do 3 things. We need to show all outside parties the Board has the necessary structure and necessary political and other alliances to get the job done. We must have partners that trust us. We need transparency in how we structure the Board and how we move forward. Second, we must understand what is needed and wanted in our region. Lastly, both of those align

that we are self-sufficient. We need to make sure that if we do not receive a grant in one year, we still have the resources to move forward. In the next 12 months, the Board needs to develop a 3-year plan. This plan will guide us in decision making, set expectations and results and give staff the objectives to be met each year. He also urged the Board to understand that there will never be a time that there won't be a need to help people with housing. Currently there is a 7.3 million shortage in housing units for low to middle income families. We can make a difference in Beaufort and Jasper Counties; we just need structure and direction. Self-sufficiency requires some financial decisions to balance the needs of our programming as well as diversifying our funding streams.

Draft Budget

Dana Totman explained that the staff is just beginning work on the operational budget for FY24-25. A more detailed presentation will be forthcoming, and the budget must be approved by the June meeting of the Board.

Interim Director Report

Dana indicated that he provided a written report. Most of the narrative in the report was about the RFPs and Claude's transition. Dana also gave a brief overview of his time as interim executive director and thanked the Board for their work. The Board thanked Dana with a small gift of thanks and gratitude for his work during these last six months.

Other Business

Victoria Smalls asked when BJHT would be presenting to the SOLOCO Board. Dana indicated that he had been in correspondence with Mayor Harry Williams. We thought we were on the agenda in March, but we were not. We were supposed to be presenting at the meeting in April but received an email last week stating we were being moved to the May meeting.

Adjourn

There was no further business to discuss. Dick Stewart asked for a motion to adjourn. Wendy Z. made the motion, second by Christian K. The motion was approved unanimously. The meeting adjourned at 11:48am.