

DWELLING PLACE OF GRAND RAPIDS

FINANCE COMMITTEE

December 9, 2020

*Minutes – Approved January 27, 2021*

- MEMBERS PRESENT:** David Byers, Gil Segovia, Sadie Erickson, Angela Sanborn, Troy Stressman, Holly Jacoby
- MEMBERS ABSENT** [None]
- STAFF PRESENT:** Dennis Sturtevant, Steven Recker, Kim Cross, Jessica Johnson, Brandon Watson, Grace Thuo, Rebecca Long, Francisco Ramos Jr., Laurie Mullennix, Karen Monroe, and Jessica Beeby
- COMMENCEMENT** The meeting was convened at 12:00 pm by Mr. Byers
- APPROVAL OF OCTOBER MINUTES** **Minutes of the Finance Committee meeting of October 28, 2020 were approved by motion of Mr. Segovia, supported by Ms. Sanborn and carried unanimously.**
- DWELLING PLACE 2021 BUDGET REVIEW** Prior to presenting the 2021 budget, Mr. Recker provided the Committee a brief summary of assumptions, a written list was provided prior to the meeting.
- The 2021 budget was reviewed by program with the following notable comments. Northern Trust provided estimates on market fluctuations and interest rates. There have been some changes in investments, more detailed information will be made available during their annual presentation in January. A surplus cash line was added to cash flow to show surplus cash transferred into Dwelling Place from properties. It was also noted that the line item for \$758,000 was for the forgiveness of the PPP loan from April. It was reported yesterday that the loan should be forgiven before the end of the year, but has been budgeted in 2021 in case of a delay.
- Mr. Recker presented an overview of individual department budgets with the following notable comments. Under Affordable Housing Management, a management fee of \$856,000 from properties is paid to Dwelling Place to support staff salaries in the office. The Housing Development department budget includes staff salaries and fees for recent projects, namely the Ferguson renovation and construction of Avenida Brillante and Soereste Brillante (Bright Avenue and Bright Southwest, formerly Plaza Frankin and Plaza Grandville).
- Total cash flow is budgeted at about \$2.2 million. Mr. Recker noted that the budget will need to be updated to show a subtraction of \$230,000 from the cash flow at West Shore Apartments in Whitehall, a rural development property, to account for the balloon mortgage. Mr. Recker

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noted that the correction to the West Shore cash flow will be updated before going to the Board.

Mr. Segovia asked if it was possible to review a global cash flow for each property and/or further assistance in understanding the financial performance at the property level. Mr. Sturtevant mentioned that the RED & Asset Management Committee may have documentation that could be shared with the Finance Committee. Mr. Recker added that property performance is generally compared against the pro forma and performance concerns are reviewed and presented during Finance Committee meetings. The NeighborWorks bin metrics also assess and rate performance and auditors may also identify areas of concern.

**Recommendation of the 2021 Budget to the Board was approved by motion of Mr. Segovia, supported by Ms. Jacoby and carried unanimously.**

**PROPERTY  
INFORMATION  
DISCUSSION**

There was a discussion about requests for information from Committee members to staff. There was a general consensus that Committee members should coordinate requests through Mr. Sturtevant. Additionally, Mr. Sturtevant will review reports amongst other committees to assess what could be shared to reduce producing unique documents for individuals or committees.

**UPDATES AND  
ANNOUNCEMENTS**

Ms. Cross provided leasing updates for Harrison Park and Pine Avenue. Pine Avenue is 100% occupied as of last Friday and there are two remaining vacancies at Harrison Park and are anticipated to be occupied by the end of December. Mr. Sturtevant reported that Avenida Brillante and Soereste Brillante are still under construction, but progressing and property management staff are preparing for the start of lease up. He added that the Community Land Trust (CLT) is also progressing, with the first sale possibly occurring in January though more likely the first 1-3 sales will occur in the first quarter of 2021.

Mr. Byers commended staff on the forgiveness of the PPP loan.

**PROPOSED AGENDA  
AND NEXT MEETING  
DATE**

The next Finance Committee meeting will be held on Wednesday, January 27, 2021 from 12:00 PM to 1:30 PM.

**ADJOURNMENT**

The Finance Committee meeting was adjourned at 1:02PM by Mr. Byers.