A meeting of the Board of Commissioners of the Housing Authority of Salt Lake City was held from 11:05 a.m. – 2:35 p.m.

**Board Members in Attendance**
Palmer DePaulis, Board Chair
Cindy Gust-Jenson, Commissioner
David Litvack, Commissioner
Dave Mansell, Vice Chair
Philip Bernal, Commissioner

**Excused**
Alfonsa Price, Commissioner

**Staff in Attendance**
Daniel Nackerman, Executive Director
Laryn Hill, Director of Property Management
Britnee Dabb, Deputy Director
Joe Post, Director of Real Estate Development
Zac Pau’u, Director of Homeless Programs
Tyson Montoya, Controller
Charlene Owen, Administrative Assistant

**Legal Counsel in Attendance**
Ryan Warburton, Gilmore & Bell
Chair DePaulis convened the open meeting of the Housing Authority of Salt Lake City.

**MOTION FOR APPROVAL OF THE HASLC OPEN MEETING MINUTES OF SEPTEMBER 25, 2017**

The Executive Director has provided each Commissioner with a copy of the written minutes of the September 25, 2017 Open Meeting. The Commissioners acknowledged they had sufficient time to review these minutes. Chair DePaulis called for a motion.

**Motion**

Commissioner Mansell moved to approve the HASLC Open Meeting Minutes of September 25, 2017. Commissioner Bernal seconded the motion. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor.

**PUBLIC COMMENT**

None

**NEW BUSINESS**

*Daniel Nackerman, Executive Director*

A) **Adopt Resolution #523-2017** ratifying the 2018 tax credit application for Book Cliffs Lodge.

B) **Adopt Resolution #524-2017** ratifying the 2018 tax credit application for Ribbon Apartments.

C) **Adopt Resolution #525-2017** ratifying the 2018 tax credit application for Aurora on 4th Apartments.

Dan would like to discuss A), B), and C) together. There will be more detail in the HAME Meeting today which is the lead organization of these developments.

What we are going to be discussing are 9% low income housing tax credit applications and a reminder that Denver Street Apartments, which we now have funding for was a 9% low income tax credit as was the 9th East Lofts, Taylor Gardens, and Taylor Springs. We were successful in obtaining these tax credits. The Housing Authority and its entities have completed over 10% of the tax credit projects that have been completed in Salt Lake City.
Dan wanted to explain why these projects have seemed so fast and furious in the last few months:

1) We think there is a great emphasis by the City, the County and the State (and we includes UHC when we talk about the state) on targeting low income on new housing and homeless assistance. In a very late stage, UHC determined a 30% set aside for permanent supportive housing. The new UHC rules said they're going to have a set aside for permanent supportive housing.

Another new rule is UHC demanded a firm commitment of subsidy for any PSH projects.

2) We were starting to invest time and effort into the Magnolia Project which is one of the bigger Permanent Supportive Housing Projects planned with 65 units. Cowboy Properties applied last year. They didn’t get 9% last year. We started to negotiate with them and become part of the project. Then in a late stage of the process they were told they can’t partner with us because they had competed to get that land a couple of years ago and we had not been part of that partnership. The Magnolia Project is also known as the Public Safety Building or Violin School Commons.

3) We originally intended the Book Cliffs Lodge site as Permanent Supportive Housing Project. As we got into the planning stages of the project we heard from several people, including this board, that they wanted mixed income. We agreed with that. So we started looking for more PSH projects.

4) The Mayor’s Blue Ribbon Commission and HAND suddenly closed on a piece of land near our Sunrise site. Commissioner Ltvack commented that it was actually GIV that settled on the property.

5) We were in talks with a local developer, Peter Corroon, on a project at 411 South and 600 West. He was in partnership with LaBarge and then moved into another career. We moved into his slot. The project is now called Aurora on 4th. We developed partnerships on each of these projects. The board has considered these projects. We are in the lead on every project that we are talking about today.

These projects are likely not to get funded. They often take 2 years of application and there is lots of competition. If they don’t get funded this year, we may shed our partners for next year’s application they know that.

Commissioner Bernal made a comment about these projects all being located on the west side of Salt Lake City. A discussion ensued about definition of boundaries and it was agreed that the boundaries are not clear.
Dan reviewed the hard copy package he had distributed to the Board about the three proposed properties.

**Motion**

Commissioner Litvack moved that we adopt Resolution #523-2017 (Book Cliffs Lodge), Resolution #524-2017 (Ribbon Apartments), Resolution #525-2017 (Aurora on 4th Apartments) ratifying the 2019 tax credit applications for these properties. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor. There were no objections or abstentions.

**D) Motion to Receive** and consider FY 2017 third quarter Financial Statements. Agency wide, the Housing Authority’s net operating income is $897,835. This operating income figure includes revenues from grant income, such as the Capital Fund Grant with related expenses reflective in the Balance Sheet.

**Financial Summary by Major Program:**

**Voucher Program** (2,847 vouchers)
The budget comparison financial statement for the Voucher Program includes the Moderate Rehabilitation program sites, Family Self Sufficiency (FSS), Project Based Vouchers, Family Unification Program, Veterans Administrative Supportive Housing and Protected Vouchers.

Total Voucher Program utilization is 96%. Operating Income “other” is above budget due to HUD fraud recovery and FSS forfeitures. These items reduce HAP grant funds at year-end. “Contract costs” is over budget due to hiring temporary workers where vacancies occurred.

**The Voucher Program shows a net operating profit of $127,027.**

**Public Housing** (320 units)
The budget comparison financial statement for Public Housing includes City Plaza, Romney Plaza, and Phillips Plaza. Total Public Housing occupancy is 97%. Total Operating Receipts are above budget due to increased rents, late fees, and maintenance charges. “Contract costs” are over budget due to higher than anticipated turnover vacancies requiring make-ready contract work.

**The Public Housing Program shows a net operating loss of $127,880.**

**Homeless Properties/Programs** (315 units)
Occupancy continues to remain low at Valor House (71%) and Valor Apartments (61%). Since the restructuring of Freedom Landing out of the GPD program, occupancy continues to remain at 91%. The overall Homeless portfolio maintains an average occupancy of 86%. Operating income is below budget due to tenant rental corrections and low maintenance charges. “Materials and Ordinary Maintenance” is under budget due to low occupancy causing low maintenance requirements. “Contract costs” is over budget due to additional security requirements at several properties.

**The Homeless properties show a net operating loss of $431,320.**

Commissioner Litvack asked if the under-utilized Veterans sites such as Valor House and Valor Apartments, couldn’t be used for temporary homeless housing. Executive Director Nackerman agreed that all beds should be full but the VA guides the occupancy.

Commissioner Gust-Jensen recommended that we write monthly reports as to the number of nights that were available to Veterans that beds were not used. Each month we might provide that information to the Utah Congressional delegation.

**Authority Owned Properties (871 units)**
The budget comparison financial statement for all owned properties excludes Public Housing and the Transitional/Homeless facilities but does include Tax Credit-funded HDC, HAME, and Jefferson Circle properties. Total Authority Owned occupancy level is at 96%. The Operating Income “other” is slightly higher than budget, primarily due to additional laundry income and a rebate for development at Taylor Gardens, while expenses are below budget on materials and ordinary maintenance”.

Jefferson School is the only property in this portfolio with a net loss, primarily due to high “contract costs” from roof repairs, heater replacements and unit turns.

**The Authority Owned Portfolio shows a net operating profit of $768,453.**

**Motion**

Commissioner Gust-Jensen moved to accept the 3rd Quarter financial statements on the condition that we write monthly reports to the Board as to the number of nights that were available to Veterans that beds were not used, and that each month we provide that information to the Utah Congressional delegation. Commissioner Bernal seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jensen, Litvack, and Mansell voting in favor. There were no objections or abstentions.

E) **Motion to Approve** six months of account write-offs for FY 2017 totaling $104,930. These write offs are for two quarters, the 2nd and 3rd quarters. We do continue to collect
this money even though we write off the debt. These write offs are due to one or more of the following reasons:

- Tenant past due rents
- Maintenance back-charges or tenant related property damage
- Legal charges associated with tenant evictions
- Unreported income by tenants causing a retroactive increase in rents resulting in payback agreements that were ultimately unmet
- Landlord overpayments often resulting from unreported tenant moves, tenant skips, or tenants that pass away
- Uncollected tenant repayment agreements for past rent in non-Section 8 properties.

HASLC recommends the Board approve the bad debt write-off amount of $104,930 with the provision that collection attempts will continue. The recent strategies to reduce these types of write-offs are working in most cases but new areas of need such as landlord compliance require our additional attention.

**Motion**

Commissioner Bernal made a motion to approve the six months account write-offs. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor. There were no objections or abstentions.

**F) Motion to Approve** execution of a contract with Big B Construction for the remodeling of 45 studio apartments into one bedrooms at the Freedom Landing Building.

In order for the units at Freedom Landing to be recognized as a 1-bedroom unit instead of a studio, it is necessary to add a “wing” or partition wall to the living space. With the 1 bedroom designation these apartments become eligible for additional subsidy from the V.A. and thereby changing the rents we receive from $660 to $780.

This project was presented during the March 2017 Board meeting with a preliminary cost estimate of $30,075. Since then a plan review was completed by the Salt Lake City Fire Department determining a new addition of fire sprinkler hardware which was not included in the original plans. This added considerable cost to the project, now totaling $68,588.

If approved, the cost of $68,588 for this project will be charged to property replacement reserves which are presently at a level of $300,799.
An Invitation-to-Bid (IFB) to complete the work based on new plans was advertised August 12-13, 2017. A bid opening was held on August 31, 2017. The sole bid submission was from Big B Construction in the amount of $68,588.

**Motion**

Commissioner Mansell made a motion to approve the execution of the contract with Big B Construction for the remodeling of 45 studio apartments into one-bedrooms at Freedom Landing. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor. There were no objections or abstentions.

**G) Motion to Approve** funding to match and expand “Connect Home” resident computer access at HASLC/HAME/HDC properties in a maximum amount of $31,020.

The Housing Authority of Salt Lake City was selected as one of only 30 community recipients out of 260 applicants for HUD’s “ConnectHome – PC’s for People” grant coordination. This national effort, started by HUD and joined by many private companies, is a broad attempt to bridge the educational and awareness gaps caused by lack of access to the web for low-income students, seniors and others. While no direct funding comes with the designation sources for such do arrive as the program is launched.

Our first step in the ConnectHome actions were to provide (through PC’s for People) computers for our residents at a cost of $20 and if internet was needed, mobile hotspots service was provided for $10 per month. Training is continually available and detailed applications were required.

HASLC had an overwhelming response to the PC’s for People application; with 327 families submitting requests for the 84 computers and 35 hotspots HASLC was granted.

We are recommending matching those 84 computers to expand this program with a qualified raffle for the remaining applicants. The overall budgetary impact for providing 84 computers would be approximately $31,020. The source of funds would be reserves from non-HUD properties. These computers are mostly for children but also for seniors and others in some cases.

Commissioner Mansell raised some concerns that this may not be an appropriate activity for the Housing Authority. HASLC is not a full service provider – it is primarily there to provide housing.
Motion

Commissioner Litvack moved to approve funding to match and expand “ConnectHome” resident computer access at our properties. Commissioner Bernal seconded. The motion passed with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack, voting in favor. Commissioner Mansell voted no. There were no objections or abstentions.

UNFINISHED BUSINESS

Adopt Resolution #526-2017 approving wait list preferences for Disaster Victims within HASLC policies.

The last time we presented this to the Board it was very generic and the Board wanted more detail. Housing Authorities are permitted to establish local preferences giving priority on waiting lists to families and individuals meeting specific criteria.

Staff is proposing the addition of a preference for potential future disaster victims to the Public Housing and Housing Choice Voucher programs as well as others when possible.

We’ll try to have this preference for disaster victims at all of our properties whether they are HUD or not.

The term disaster will have a broad meaning including fire, earthquake, civil unrest, flooding, war, environmental conditions, and other.

The area of disaster affecting these preferences will usually be within the Salt Lake City region but could include relief for those affected by disaster within other localities in the United States as determined by the Board of Commissioners.

The Board of Commissioners will vote to declare such a disaster within the rights of the Housing Authority. This vote will be through regular meeting, special meeting or written Chair declaration if the disaster hampers the ability to have a meeting.

Motion

Commissioner Litvack moved to approve Resolution #526-2017 regarding wait list preferences for Disaster Victims within HASLC policies. Commissioner Mansell seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor. There were no objections or abstentions.
COMMUNICATIONS

EXECUTIVE DIRECTOR REPORT

Daniel Nackerman, Executive Director

Dan wanted to congratulate Britnee Dabb and Jackie Rojas for their work on the Connect HOME project.

Dan wants the Board to know we are still struggling with finding existing funding to launch the Denver Street project relocation. You may recall that we based the funding on the sale of the property bringing proceeds back. The building will likely sell only when the tax credits are funded. Reminder - this was a successful 9% tax credit project.

This lack of funding is going to slow the process down between us and our main partner, Volunteers of America. We are meeting with them today to see if they have some solutions but there are no clear paths as of now.

Commissioner Gust-Jenson said the City Council gets upset if the project is way down the road and we are assuming a loan that the approval body has not yet approved. She recommends writing down everything we intend on a project including role clarity and presenting it to the City Council before we proceed.

Executive Director Nackerman said that HAND promised us reimbursement of our pre-development costs related to Denver Street and did not approve anything to date.

Commissioner Mansell recommended consideration of canceling the project. Nackerman stated it is a great project and we are 99% confident that we will get the proceeds from the sale to fund all – the timing of the cash flow is the problem.

Chair DePaulis proposed that perhaps he as Chair, and Dave Mansell, as Vice Chair, try to bridge the gap with the City on this and related matters.

OUTREACH REPORT

Our Deputy Director, Britnee Dabb, helped coordinate questions for U.S. Representative Mia Love to HUD Secretary Dr. Ben Carson in a Financial Services Committee hearing held in mid-October. Representative Love specifically mentioned the Housing Authority of Salt Lake City with regard to gaining entry into the Moving to Work program.

Other reports are available to the Board for perusal in their packets.
CHAIR REPORT

Palmer DePaulis, Chair

Palmer mentioned the upcoming trainings and conferences for HASLC Commissioners including the 2018 PHADA Commissioners Conference in January in San Diego, CA.

There are two potential appointments for two new Commissioners:

Les Sparks, a HUD Housing Consultant
Brenda Koga, former chair of the Road Home and now with the City Library.

Motion

Commissioner Bernal moved to adjourn the Housing Authority and go into the HAME meeting. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Litvack, and Mansell voting in favor. There were no objections or abstentions.

The HASLC Meeting adjourned at 1:15 p.m.
HOUSING ASSISTANCE MANAGEMENT ENTERPRISE  
(HAME)  

BOARD MEETING MINUTES  
Housing Authority of Salt Lake City  
1776 South West Temple  
Monday, October 30, 2017  
1:15 p.m. – 2:35 p.m.  

A meeting of the Board of Commissioners of the Housing Assistance Management Enterprise was held from 1:15 p.m. – 2:35 p.m.  

Board Members in Attendance  
Palmer DePaulis, Board Chair  
Philip Bernal, Commissioner  
Cindy Gust-Jenson, Commissioner  
David Litvack, Commissioner  

Excused  
Alfonsoa Price, Commissioner  
Dave Mansell, Vice-Chair  

Staff in Attendance  
Daniel Nackerman, Executive Director  
Laryn Hill, Director of Property Management  
Britnee Dabb, Deputy Director  
Joe Post, Director of Real Estate Development  
Zac Pau'u, Director of Homeless Programs  
Tyson Montoya, Controller  
Charlene Owen, Administrative Assistant  

Legal Counsel in Attendance  
Ryan Warburton, Gilmore & Bell
Chair DePaulis convened the meeting of the Housing Assistance Management Enterprise (HAME) of Salt Lake City.

MOTION FOR APPROVAL OF BOARD HAME MEETING MINUTES OF September 25, 2017

The Executive Director has provided each Commissioner with a copy of the written minutes of the September 25, 2017 HAME Meeting and the Commissioners acknowledged they had sufficient time to review these minutes. Chair DePaulis called for a motion.

Motion

Commissioner Mansell moved to approve the HAME Meeting Minutes of September 25, 2017. Commissioner Litvack seconded the motion. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

PUBLIC COMMENT

None

NEW BUSINESS

Daniel Nackerman, Executive Director

A) Adopt Resolution #527-2017 authorizing the assignment of the HAME executed Purchase and Sale Agreement (PSA) from HAME to the Redevelopment Agency of Salt Lake City for the purchase of the Overnighter Motel site at 1500 West North Temple.

We as HAME executed a Purchase and Sale Agreement after a lot of preliminary work looking for a potential site. We found this great site (the Overnighter Motel) at North Temple. It was a troubling motel site. We executed the Purchase and Sale Agreement on June 15th. At one point we had to pay $5000 for a non-refundable extension. We completed a very elaborate market study. Then we had to pay another $35,000 extension to keep it alive. It all resulted in a very successful start to a new 300+ unit housing development.

The Redevelopment Agency took this work and decided to bring it under their control. They voted to do that last week. They are going to issue an RFP or an RFQ for a
developer to develop this site. Our only action is to authorize the assignment of our real estate purchase agreement with the addenda that are related to it.

That closing is scheduled for November 3rd. We’ve expended $55,400 in pre-development costs. We’re confident that HAND or RDA is going to wire that money to us on Friday.

Motion

Commissioner Bernal moved to Adopt Resolution #527-2017 authorizing the assignment of the HAME executed Purchase and Sale Agreement (PSA) from HAME to the Redevelopment Agency of Salt Lake City for the purchase of the Overnighter Motel. Commissioner Mansell seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

Commissioner Gust-Jensen wanted it noted for the record that she and Commissioner Litvack are city employees; they checked with the City and they do not see a conflict with this transaction.

B) Adopt Resolution #528-2017 ratifying and approving the formation of “Book Cliffs Lodge Manager, LLC”; the formation of “Book Cliffs Lodge Partners, LLC”; the execution of a Joint Development Agreement; the execution and submission of an application for a 9% Low Income Tax Credit award; and all other actions taken in connection with submission of the tax credit submission.

The Tax Credit investors want a single asset entity; we do too. We don’t want to risk Housing Authority assets. Forming a LLC (bankruptcy remote entity) protects HASLC and HAME. The investors and Utah Housing require a LLC as well.

Motion

Commissioner Bernal moved to approve Resolution #528-2017. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

C) Adopt Resolution #529-2017 ratifying and approving the Assignment and Transfer Agreement and the amended Operating Agreement by which HAME became the sole member of “Ribbon Properties, LLC”; the execution and submission of an application for a 9% Low Income Tax Credit award; and all other actions taken in connection with submission of the tax credit submission.
Ribbon, LLC was formed in order to borrow the money from the RDA and the Housing Trust Fund. This one does have a development agreement with GIV; we’re asking for execution of this tax credit application and any other action necessary to submit that application.

**Motion**
Commissioner Litvack moved to approve Resolution #529-2017. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

**D) Adopt Resolution #530-2017** ratifying and approving the formation of “Aurora on 4th Manager, LLC”; the formation of “Aurora on 4th Partners, LLC”; the execution of a Development Agreement; the execution and submission of an application for a 9% Low Income Tax Credit award; and all other actions taken in connection with submission of the tax credit submission.

We made sure we are 51% of this LLC so we keep control and make decisions on this site.

**Motion**
Commissioner Gust-Jenson moved to approve Resolution #530-2017. Commissioner Bernal seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

**E) Approve Actions** taken in the earlier Housing Authority of Salt Lake City Commission meeting effecting HAME properties and programs relating to items 4 (F) (Freedom Landing Construction), 4 (G) (Connect Home computer access), and 5 (H) Wait List Preferences for Disaster Victims.

We are asking that these items be approved which were approved in the Housing Authority meeting.

**Motion**
Commissioner Bernal moved to approve actions that were approved in the HASLC meeting. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.
MOTION FOR CLOSED SESSION

Discuss Strategy with Respect to Purchase/Sale of Real Property

Motion

Commissioner Bernal moved that we enter into a Closed Session for the purpose of discussing strategy with respect to purchase/sale of real property. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

CLOSED SESSION

Motion

Commissioner Bernal moved that we go out of closed session and reconvene the Open HAME Meeting. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

Motion

Commissioner Bernal moved to adjourn the HAME meeting and go into the HDC Meeting. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, and Litvack voting in favor. There were no objections or abstentions.

The HAME Meeting adjourned at 2:35 p.m.

Palmer DePaulis, Board Chair

Daniel Nackerman, Executive Director
A meeting of the Board of Commissioners of the Housing Assistance Management Enterprise was held from 2:36 p.m. – 2:40 p.m.

**Board Members in Attendance**
Palmer DePaulis, Chair
Philip Bernal, Commissioner
Cindy Gust-Jenson, Commissioner
David Litvack, Commissioner

**Excused**
Alfonsa Price, Commissioner
Dave Mansell, Vice Chair

**Staff in Attendance**
Daniel Nackerman, Executive Director
Laryn Hill, Director of Property Management
Britnee Dabb, Deputy Director
Joe Post, Director of Real Estate Development
Zac Pauʻu, Director of Homeless Programs
Tyson, Montoya, Controller
Charlene Owen, Administrative Assistant

**Legal Counsel in Attendance**
Ryan Warburton, Gilmore & Bell
Chair DePaulis convened the open meeting of the Housing Development Corporation (HDC)

Roll Call

Motion for Approval of HDC Open Meeting Minutes of September 25, 2017
The Executive Director has provided each Commissioner with a copy of the written minutes of the September 25, 2017 HDC Open Meeting and the Commissioners acknowledged they had sufficient time to review these minutes. Chair DePaulis called for a motion.

Motion
Commissioner Bernal moved to approve the HDC Open Meeting Minutes of September 25, 2017. Commissioner Litvack seconded the motion. The motion passed unanimously with Commissioners Bernal, DePaulis, and Litvack voting in favor. There were no objections or abstentions.

Public Comment
None

New Business
None

Adjournment
Commissioner Bernal moved to adjourn the HDC Open Meeting. Commissioner Gust-Jenson seconded the motion. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson and Litvack voting in favor. There were no objections or abstentions.

The HDC Meeting adjourned at 2:40 p.m.

Palmer DePaulis, Board Chair
Daniel Nackerman, Executive Director