HOUSING AUTHORITY OF SALT LAKE CITY
(HASLC)

REGULAR BOARD MEETING MINUTES
Housing Authority of Salt Lake City
1776 South West Temple
Monday, June 24, 2019
11:00 a.m. – 1:02 p.m.

The regular meeting of the Board of Commissioners of the Housing Authority of Salt Lake City was held from 11:00 a.m. – 1:02 p.m.

Commissioners in Attendance
Brenda Koga, Vice Chair
Cindy Gust-Jenson, Commissioner
David Litvack, Commissioner
Les Sparks, Commissioner

Excused
Palmer DePaulis, Commissioner
Dave Mansell, Chair
Alfonsa Price, Commissioner

Guest
Phil Bernal, HAME and HDC Board Member

Staff in Attendance
Kim Wilford, Deputy Executive Director
Zac Pau’u, Deputy Director
Mark Short, Finance Director
Jackie Rojas, Director, Section 8
Charlene Owen, Administrative Assistant

Legal Counsel
Caitlin Benson, Gilmore & Bell
Vice Chair Koga convened the regular meeting of the Housing Authority of Salt Lake City (HASLC) at 11:00 a.m.

Roll Call of the Board Members present.

PUBLIC COMMENT

Lauralee Holbrook and Daniel Thurgood of Verizon Wireless are trying to do modifications on two of our building. They received a letter from Daniel on April 10, 2019 telling them that we are terminating the lease agreements. They wanted to bring this to the attention of the Board. Commissioner Gust-Jenson said that bringing this issue to the board is not the best way to address this issue. They replied that they didn’t know who to talk to as their point of contact with the Housing Authority has been replaced. We told them we would provide them with a point of contact.

Commissioner Gust-Jenson commented that this might not be the best forum for this issue.

MOTION FOR APPROVAL OF THE HASLC OPEN MEETING MINUTES OF MAY 20, 2019

The Executive Director has provided each Commissioner with a copy of the written minutes of the May 20, 2019 Open Meeting. The Commissioners acknowledged they had sufficient time to review these minutes.

Vice Chair Koga called for a motion.

Motion

Commissioner Litvack moved to approve the HASLC Open Meeting Minutes of May 20, 2019. Commissioner Gust-Jenson seconded the motion. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

INTRODUCTION OF NEW EMPLOYEE

Kim introduced a new staff member: Jeremi Cox is our new Director of Property Management. He has had property management experience for 18 years; 15 years in the Affordable/low income side. He will be overseeing all of the properties; providing leadership and mentoring the team.

CONTINUED ITEMS

none
NEW BUSINESS

A) APPROVE execution of a contract with The Road Home for services related to 56 Shelter Plus Care Voucher households. Maximum contract amount = $75,611

Deputy Executive Director and Director of Homeless Programs

There are two reports: one for The Road Home and one for First Step House.

The Shelter Plus Care Program was created under the McKinney Homeless Assistance Act and is designed to promote permanent housing with supportive services to persons with disabilities and coming from the streets and emergency shelters. The Housing Authority of Salt Lake City submits applications annually through the Salt Lake Continuum of Care (CoC) to receive funding as the primary agency for approximately 75 Shelter Plus Care Vouchers.

Historically, local homeless service providers would apply for separate funding to provide case management services to individuals utilizing these vouchers. In a recent audit from HUD, a strong concern was issued that HASLC did not have “ownership” of the services for these vouchers. On a related note this year, the state issued its Notice of Funding Availability through its Homeless Programs office which basically stated that an agency providing services on behalf of another primary agency as part of a single project will not be eligible to apply but will coordinate applications and subcontract for direct client services with the primary agency.

As a result, HASLC staff directly submitted its request for service funding and was awarded $266,780 for FY2020. The concept is for HASLC to have ownership and control of the funding, services, and reporting but subcontract the services with an appropriate provider. A full, open competition was warranted for this scope of work as HASLC issued an RFP for the selection of full service providers.

Three qualified proposers (Urban Indian Center, The Road Home, First Step House) submitted proposals. The proposals were scored according to the published criteria and it is recommended that the two highest rank firms, The Road Home and First Step House be awarded the service contract.

We are asking the Board to authorize the Executive Director to execute a services contract with The Road Home at a maximum cost of $166,971 annually for case management and service delivery at 56 households through the Shelter Plus Care Voucher program.
Motion

Commissioner Litvack made a motion to authorize execution of a services contract with “The Road Home” for Shelter Plus Care Vouchers. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

B) APPROVE execution of a contract with First Step House for services related to 19 Shelter Plus Care housing units. Maximum contract amount = $75,611

Deputy Executive Director and Director of Homeless Programs

The background for this contract is the same as Item A except First Step House was selected as the sub-provider through the service grant funding and HASLC would act as a pass-through for all these funds. The total contract award of $75,611 would be granted to First Step House. Approximately $8,000 of the total grant would be held by HASLC for administration (administrative costs, quality assurance and accounting) of the First Step House portion of the work.

We are asking the Board to authorize the Executive Director to execute a services contract with First Step House at a maximum cost of $75,611 for case management and service delivery at 19 housing units through the Shelter Plus Care Voucher program.

Motion

Commissioner Sparks made a motion to authorize execution of a services contract with “First Step House” for Shelter Plus Care Vouchers. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

C) APPROVE BUDGET REVISIONS for 2019 Quarter 2

Finance Director

HASLC and its affiliates adopted the annual budget last September for FY2019 beginning January 1, 2019. Since then, patterns of revenue and expenses have become clearer as have new program changes, funding adjustments and property acquisitions. Therefore, we have provided a budget revision that will reflect the projected budget for your consideration and approval.
We have two changes that we want to reflect in this budget revision.

The primary changes occurring since the adoption of the original budget are:

- The Public Housing portfolio is currently under budget by $141,042 in Maintenance Operating Payroll
- The Authority owned portfolio, specifically Capitol Homes, is currently under budget by $25,580 in Interest Expense.

These revisions will reflect a more accurate budget for FY2019. The overall net effect on HASLC and its affiliates budget is a net loss of $166,622, thus reducing projected net profit from $411,280 to $244,658.

We request the Board’s approval to make the requested budget revisions to the 2019 budget.

**Motion**

Commissioner Litvack moved to approve the requested budget revisions to the 2019 budget. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

**D) APPROVE** new or revised Finance Policies/Procedures for “Cash Receipts, “Petty Cash” and “Purchase Cards”

**Finance Director**

The Housing Authority has an ongoing process of creating, updating and/or expanding policies and procedures as necessary to employ sound internal controls and best practices to finance and accounting functions.

We have three policies that we are presenting here today:

Cash Receipts Policy: To assure timely and accurate deposits and cash handling procedures and controls

Petty Cash Procedure: To update and clarify petty cash procedures and controls

Purchase Card Procedure: To document purchase card procedures, responsibilities, and controls.

A discussion ensued about the pros and cons of each policy and procedure.
Commissioner Sparks requested that we have more detail and control procedures mentioned in these policies.

It was determined that rather have a motion, we defer the approval of the financial policies until our next board meeting.

E) DISCUSS AND ACCEPT Tenant Applicant Screening for Crime, Credit and Related across HASLC and Affiliate Programs and Properties.

*Deputy Executive Director, Director of Homeless Programs and Section 8 Director*

This item is for discussion only at this time.

In early 2017 Daniel Nackerman and Kim Wilford presented an overview concerning crime policies within housing authorities and the Board formed a committee to review the two main elements of screening; 1) termination/eviction and 2) screening/denial for both the Housing Choice Voucher and Public Housing programs. HUD mandatory policies were reviewed, and others left to the Housing Authority’s discretion including wait list procedures, hearing processes for occupancy, timing of the crime and regulations governing incidents with Victims of Domestic Violence were discussed.

Nationwide trends and HUD guidance are taken into consideration of all policy changes related to criminal screening. In addition, HUD’s guidance regarding the use of a preponderance of evidence and convictions of crime versus arrests in relation to recent legal actions nationwide and the final Affirmatively Furthering Fair Housing ruling are considered.

From Commission direction, staff analyzed and updated related policies such as screening in other programs and programs, credit checks and rental history backgrounds. We have streamlined policies and centralized applicant screening in all our programs under the eligibility department. Final policy changes were brought to the Board with approval on August 28, 2017.

A summary of the board approved policies:

**Credit Checks**

An overall emphasis was placed on rental credit history. The Housing Authority discontinued credit checks and now rely on self-certifications for bankruptcy, judgements, and related that may occasionally trigger a credit check on a case-by-case basis.
Rental History

Past evictions, past court actions related to evictions and poor references from landlords often indicate an applicant household will not be successful in our programs.

Income Verification

This is highly-regulated requirement in most of our programs with no flexibility on our part. We utilize the latest technology for these verifications plus extensive staff work for physical records. We did reduce the frequency of verification of income for persons with fixed income every 3 years instead of annually.

We’re trying to put more emphasis on past criminal history, evictions related to property destruction and rental credit history rather than overall credit history.

There is a mandatory denial of assistance eviction from federally-assisted housing in the last 3 years for drug related criminal activity unless the household member who in the criminal activity has completed a supervised drug rehabilitation program.

A review of the previous three months wait list denials for all programs and properties shows a history of 2.4% denials. The reason for all denials were due to multiple assault charges and lifetime required registration on the sex offender list.

F) DISCUSS AND ACCEPT report on policies and practices for tenant evictions (termination for voucher programs) across HASLC and affiliate programs and properties

Deputy Executive Director

The Housing Authority manages a variety of programs and properties with focus from market to housing for chronic homeless in addition to Section 8 voucher program and Public Housing. While maintaining some consistency among all programs, there are specific requirements to each. A report was included in the board packet that highlights these requirements for Authority Owned properties, Homeless Program properties, Federal Programs of Housing Choice Vouchers and Mod Rehab.

A discussion ensued regarding the policies and practices for tenant evictions. It was recommended to change some of the wording around criminal activity.

We will bring recommendations to the board at our next meeting.
G) **DISCUSS AND ACCEPT** report on HASLC ineligibility for application to HUD’s “Moving to Work” (MTW) program due to number of units.

*Deputy Executive Director and Director of Homeless Programs*

The Moving to Work program offers public housing authorities (PHAs) the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by allowing exemptions from existing public housing and tenant based Housing Choice Vouchers (HCV) rules. This program also permits PHA’s to combine operating, capital, and tenant-based assistance funds into a single agency wide funding source approved by HUD.

39 Housing Authorities are MTW participants at this time. Congress has authorized another 100 to enter over the next few years, with each year of application being guided by a “Cohort” emphasizing new prescribed areas of innovation such as landlord incentives. Each year of application also dictates certain agency sizes. This year’s application is Cohort 2, for agencies with 1001 or more non-elderly, non-disabled housing slots. Cohort 2 is required to study and innovate in the area of “Rent Reform”.

On March 14, 2019 we received notice offering eligible public housing agencies the opportunity to express interest in the admission to the Moving to Work (MTW) demonstration program. This MTW expansion Cohort 2 is specifically targeted rent reform strategies to facilitate pathways to self-sufficiency such as separating rent calculations from income.

For this second cohort, applicant PHA’s must administer 1,001 or more non-elderly, non-disabled aggregate public housing and housing choice vouchers units. Any PHA applying must meet all eligibility requirements.

The Housing Authority of Salt Lake City currently administers 762 eligible households (829-67) for MTW rent reform leaving us 239 households short of threshold eligibility requirements.

As we go forward, we will be exploring other Cohorts and other options.

**Motion**

Commissioner Litvack moved to recess HASLC and go into Closed Session. Commissioner Sparks seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.
HASLC recessed at 12:45 p.m.

CLOSED SESSION

Motion

Commissioner Gust-Jenson moved to close the Closed Session and re-convene HASLC. Commissioner Sparks seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

HASLC reconvened at 12:48 p.m.

COMMUNICATIONS

EXECUTIVE DIRECTOR REPORT

- Two important improvement projects, ADA lifts and deck improvements at Freedom Landing and Valor Apartments have taken an inordinate amount of time to assemble resulting in critical funding deadlines being at risk. Both contracts were bid and no contractor responded. Therefore, staff is negotiating a “sole source” construction contract which will likely be executed in early July if costs will be less than approximately $400,000.
- Several staff and a Commissioner will be attending The National Association of Housing and Redevelopment Officials (NAHRO) event in Boston on July 11, wherein HASLC will be honored with at least five (5) awards, those being for the Homeless Training (Construction Framing) project, the unusual service financing and partnerships at Denver Street, 9th East Lofts, the TANF program, and the Capitol Homes project.
- HASLC had its All Hands Meeting on June 12th at Boondocks in Draper. A business lunch was held and then staff participated in recreation and team building activities.
- Construction of Denver Street Apartments is slightly ahead of schedule.
- HASLC and HAME are involved in two development project with Brinshore Development of Chicago – SPARK! (Overniter Motel site) and 2nd and Main. New agreements between all parties are being developed with HASLC/HAME having more of a developer consultant role so that tax credit caps work better for all.
AGENCY RESERVES

Financial Director

Operating reserves are calculated based on the HUD definition:

Cash Tenant Security Deposits
Total Receivables
Unrestricted Investments
Prepaid Expenses and other assets
Inter-program – due from
Assets held for sale

Less total current liabilities
Less current portion of long term debt – capital projects

The agency reserves by program area are listed in the report within the board packet.

OUTREACH REPORT

Deputy Executive Director

- The Executive Director and Deputy Director attended the National Leased Housing Association Annual Membership meeting in Washington, D.C. Various times were devoted to meeting delegates involved in housing areas as well as our local representatives.

- The Deputy Executive Director and HAME Board Member (Phil Bernal) attended the June Mountain Plains NAHRO conference in Billings, Montana. The Deputy Executive Director was a featured conference speaker regarding the HUD Rental Demonstration (RAD) program.

CHAIR REPORT

Vice Chair Koga reviewed the upcoming conferences that Commissioners can attend. She encouraged Commissioners to consider attending these conferences. Commissioners can notify Dan or Charlene as to which conferences they want to attend.
Motion

Commissioner Gust-Jenson made a motion to adjourn the Housing Authority Meeting. Commissioner Litvack seconded the motion. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, and Sparks voting in favor. There were no objections or abstentions.

The Housing Authority Meeting adjourned at 1:02 p.m.

Dave Mansell, Board Chair

Daniel Nackerman, Executive Director