HOUSING AUTHORITY OF SALT LAKE CITY
(HASLC)

SPECIAL ELECTRONIC BOARD MEETING MINUTES
Housing Authority of Salt Lake City
1776 South West Temple
Monday, July 22, 2019
11:00 a.m. – 1:00 p.m.

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

**Commissioners in Attendance**
Dave Mansell, Chair
Palmer DePaulis, Commissioner
Brenda Koga, Vice Chair
Les Sparks, Commissioner

**Telephone Attendance**
Cindy Gust-Jenson, Commissioner
David Litvack, Commissioner
Alfonsa Price, Commissioner

**Staff in Attendance**
Daniel Nackerman, Executive Director
Kim Wilford, Deputy Executive Director
Britnee Dabb, Deputy Director
Mark Short, Finance Director
Charlene Owen, Administrative Assistant

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

Roll Call of the Board Members present and on the telephone.

PUBLIC COMMENT

none

MOTION FOR APPROVAL OF THE HASLC OPEN MEETING MINUTES OF JUNE 24, 2019

The Executive Director has provided each Commissioner with a copy of the written minutes of the June 24, 2019 Open Meeting. The Commissioners acknowledged they had sufficient time to review these minutes.

Chair Mansell called for a motion.

Motion

Commissioner Sparks moved to approve the HASLC Open Meeting Minutes of June 24, 2019. Commissioner Koga seconded the motion. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price, and Sparks voting in favor. There were no objections or abstentions.

CONTINUED ITEMS

none

NEW BUSINESS

A) APPROVE execution of a Memorandum of Understanding between HASLC and the Housing Authority of Salt Lake County (newly named Housing Connect) as co-developers and co-owners for the revitalization of the property known as City Plaza which is being converted from HUD Public Housing to HUD’s Rental Assistance Demonstration (RAD) program.

Daniel Nackerman, Executive Director

As you are aware, HASLC and the County Housing Authority (newly named Housing Connect) each own approximately half of a 299 unit “Public Housing” (a HUD program) site known as City Plaza, located at 1992 South 200 East.
Both agencies are in the midst of entering the site into HUD’s relatively new Rental Assistance Demonstration program (RAD), wherein properties are removed from the Public Housing program and entered into a more flexible status utilizing vouchers for subsidy and allowing debt of the property for the first time. Both agencies have applied and been approved for RAD. We’ve agreed to work together as to the revitalization of this property.

In this joint effort, HUD and several consultants have helped guide us with the following draft approach for conversion and rehabilitation of the sites:

- Retain the property primarily for low income seniors
- Repair and upgrade the buildings and facilities to the maximum that financing will allow
- Utilize 4% tax credits for the primary financing tool
- Avoid significant relocation as much as possible due to sensitivity to seniors and the lack of alternate rental sites

HASLC and HC have developed a Memorandum of Understanding (MOU) to guide the future approach. Details of the MOU are described in the board packet.

We’re recommending authorization of the execution of the MOU between HASLC and Housing Connect, subject to final non-substantive changes by counsel, for the general terms and approach to restructuring and redeveloping the City Plaza senior housing complex.

**Motion**

Commissioner Sparks made a motion to authorize execution of the MOU between HASLC and Housing Connect, subject to final non-substantive changes by counsel, for the general terms and approach to restructuring and redeveloping the City Plaza senior housing complex. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**B) APPROVE** the purchase (through HAME) of the Georgia Apartments, utilizing a combination of a loan from Zion’s Bank as well as HAME reserves, for a purchase price of $4.7 million.

*Daniel Nackerman, Executive Director*

Dan distributed a terms/commitment sheet from Zions Bank to the board members present.
The Housing Authority and HAME have been pursuing the purchase of the property at 203 East 2100 South in Salt Lake City for over a year, primarily due to the following:

- Excellent central location in an up-and-coming neighborhood that will soon be part of a Redevelopment Project area
- The location is across from a 300-unit Public Housing site (City Plaza) that will soon undergo a revitalization/rehabilitation as part of HUD’s Rental Assistance Demonstration
- Elimination of blight and crime in the neighborhood that included our seniors at City Plaza
- An excellent joint project for the City and the County as the site is adjacent to the Salt Lake County Government Center. We have been talking to them and have a preliminary agreement with them.

Further, this 44-unit property was poorly managed for many years, and it ultimately became the bane of the neighborhood as well as that of the police and fire departments, county officials, and the 312 senior residents living across the street. It was finally closed down. The Housing Authority assisted with relocation of the residents.

The community organizations, whether it be Liberty Wells or the Ballpark Neighborhood, meet about this property frequently and the problems from that property that impact the community.

After working with the owner for a year, and getting to know the owner, we reached an agreement on the sale for a $4.7 million purchase price. There were 14 addenda since on the Purchase and Sale Agreement as we learned more about the building and as extensions required. The last addendum has not been executed by the seller, so the property is presently “out of contract”. We are hopeful that by this Board action, if approved, will cause the seller to execute the final documents for sale.

Our intentions are to rehabilitate the property and to add additional units for a total of 59 modern living spaces with a mix of incomes to include homeless set-asides and workforce housing. The income mix to date would be approximately 70% affordable and 30% market rate.

The structure is fairly solid. It would have to be gutted. We would need to replace floors and install an elevator, among other several items.

Dan brought to the Board’s attention the attached outline of the existing site with physical inspection summary, preliminary pro formas and related predevelopment information.
The following due diligence and preliminary work have been completed:

- Board up and fencing
- Preliminary scope of work
- Initial funding applications
- Appraisal
- Attainment of Conditional Loan Commitment from Zions Bank (attached)
- Execution of a preliminary letter of agreement with the County Housing Authority

Dan discussed various funding methods to include a 9% tax credit, City and County funds, National Housing Trust Fund Loan and Federal Funds through the State (Olene Walker Housing Fund), and the permanent mortgage.

We recommend authorization by the commission to complete the purchase (through HAME) of Georgia Apartments for a purchase price of $4.7 million.

A discussion ensued about the structure of the building and the pro’s and cons of purchasing the property and the various loans.

**Motion**

Commissioner DePaulis made a motion to authorize the purchase, through HAME, of Georgia Apartments for a purchase price of $4.7 million. Commissioner Sparks seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

C) REVIEW the Employment Contract of the Executive Director for outline of responsibilities and possible changes at a subsequent meeting.

_Daniel Nackerman, Executive Director_

Dan would like to discuss three areas of his contract with the commission today:

Contract length
Job Duties
Consultant Opportunities

**CONTRACT LENGTH**

In May of 2016 we negotiated a 4 year contract for the Executive Director which is extendable for 4 more years, one year at a time. The Executive Director would like to
request a one-year extension to the employment contract, to be discussed and determined at the next Commission meeting.

**JOB DUTIES**

In the employment contract and job description, it is outlined that the day-to-day operations, Human Resource issues, and staff management fall under the Executive Director’s purview. Dan wants to remind everyone that the Executive Director makes decisions regarding operations, personnel, recruitment, employee evaluations, discipline, department organization, business systems and related. Dan would like the Commission to be careful not to insert themselves into these areas as serious dysfunction can result. Clarification was asked by the Board and Dan said that in the past, Commissioners met with staff without the knowledge of management. The Commissioners agreed that this is not good business practice.

**CONSULTANT OPPORTUNITIES**

During negotiations of the contract, a provision was included that allowed the Executive Director to “engage in private consulting work, up to 10 business days a year, approved in advance with the Board”.

Dan is requesting the following:

- Consulting on his own time (evenings, week-ends, off days) for approximately 5 hour per week a maximum of 10 hours per week
- No HASLC or HAME resources would be used for this work
- No conflicts of interest would be allowed

Commissioner DePaulis suggested that Dan draft a written list of the things that Dan would like to do, and the Commission will consider. He is concerned about the consulting portion of the contract.

**D) APPROVE** remodel of central office interior for better accessibility and safety. Approximate budget = $480,000

*Daniel Nackerman, Executive Director*

For over a year, the Housing Authority has been working on the remodel of this office primarily to comply with the American Disabilities Act (ADA) and Section 504/Uniform Federal Accessibility Standards. We also want to improve customer service spaces such as lobby, front desk, interview rooms and related. The building needs to be updated to allow for technology upgrades. We have improved safety for staff by installing access pads, cameras, and more separation of public/private spaces.
We have plans and specifications for the remodel out for bid. Three qualified firms responded:

BHI Construction Management
PCI Construction
Construction Control Corporation

Dan provided the scores on each firm but recommends PCI Construction based on their scores and experience.

Motion

Commissioner Koga moved to approve remodel of central office interior for better accessibility and safety with an approximate budget of $480,000. Commissioner Sparks seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

COMMUNICATIONS

EXECUTIVE DIRECTOR REPORT

There were some fairly major events that have occurred:

- The fire at Jefferson School. We responded swiftly and professionally across the board. Some tenants needed to be re-located. Kim Wilford showed great leadership in this area. We are working with the Insurance Company to re-build the roof structure as soon as possible. Dan wanted to also thank Joe Post and Jeremi Cox, our new property management for their quick response and action.

- There was an officer-involved shooting at Sunrise. Dan kept the board apprised. The caseworker for the person who was killed is an employee of the Urban Indian Center and she also used to work for us. She apparently is quitting the Urban Indian Center and Dan would like to work with our Human Resource lawyer to see if we can assist. We have an employee at Sunrise who is highly impacted by the shooting. We did handle this issue with the media by stressing that this was a mental health issue at this site. Britnee Dabb did a good job of dealing with the media. We turned over the videotape of the shooting to the police immediately. We have provided grief counseling to our tenants and our staff.

- We won seven national awards for innovation in several different areas at the recent NAHRO conference in Boston. Several staff and two board members were in attendance.
• There has been a shake-up at the Urban Indian Center. The Executive Director was fired, and several board members left. There is a new Executive Director. We have business dealings with them on 2 or 3 items. It could affect our business with them.
• There was a National Leased Housing Association (NLHA) conference in Washington, D.C. a few weeks ago. Thanks in part to our consultants that we have there, we got to meet with the VA Secretary and an Executive Director of the VA and his advisor. The advisor to the Executive Director has taken on our cause and even had our local VA on the phone that day. We feel that we have some good advocates in DC.
• We’ve had some specialized audits, a long-standing multi-family housing audit and a continuum of care audits. Both of those audits have now closed.
• We have a new issue with the Utah Housing Corporation which is the state entity that allocates tax credit funds. They have opened up some stuff from 2017 where we didn’t report – 4 of our tax credit projects didn’t get the required information on lease out/lease in times. Kim is working with them on trying to get them the information from a couple of years ago.
• Both Pamela’s Place and Denver Street are under construction. There was delay with the financing on Pamela’s Place. Dan encourages everyone to drive by them.
• We’re aware of the caps on 9% credits. We are trying to limit our credits, so we don’t get punished too much. We are increasing our involvement with some properties and limiting our involvement with other properties.

Motion

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

The Housing Authority Meeting adjourned at 1:00 p.m.

Dave Mansell, Board Chair

Daniel Nackerman, Executive Director