HOUSING AUTHORITY OF SALT LAKE CITY
(HASLC)

REGULAR BOARD MEETING MINUTES
Housing Authority of Salt Lake City
1776 South West Temple
Monday, October 28, 2019
11:00 a.m. – 12:51 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. – 12:51 p.m.

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

Excused
Cindy Gust-Jenson, Commissioner

Guest
Phil Bernal, HAME and HDC Board Member

Staff in Attendance
Daniel Nackerman, Executive Director
Britnee Dabb, Deputy Director
Kim Wilford, Deputy Director
Zac Pau’u, Deputy Director
Tyson Montoya, Controller
Charlene Owen, Administrative Assistant

Legal Counsel
Caitlin Benson, Gilmore & Bell
Chair Mansell convened the regular meeting of the Housing Authority of Salt Lake City (HASLC) at 11:10 a.m.

Roll Call of the Board Members present.

PUBLIC COMMENT

None

MOTION FOR APPROVAL OF THE HASLC COMMISSION MEETING MINUTES OF SEPTEMBER 30, 2019

The Executive Director has provided each Commissioner with a copy of the written minutes of the September 30, 2019 Commission Meeting. The Commissioners acknowledged they had sufficient time to review these minutes.

Chair Mansell called for a motion.

Motion

Commissioner Koga moved to approve the HASLC Commission Meeting Minutes of September 30, 2019. Commissioner DePaulis seconded the motion. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell and Sparks voting in favor. There were no objections or abstentions.

INTRODUCTION OF NEW EMPLOYEE

We’d like to welcome Jason Geck, who comes to us from The Road Home. He is our new Landlord Outreach Specialist. His work history is working with homeless individuals and low income population. He has worked with troubled youth. He is happy to be at the Housing Authority of Salt Lake City

NEW BUSINESS

A) PUBLIC HEARING for comprehensive annual 2020 budget of HASLC and its affiliates

Board Chair

Dave opened the Public Hearing to review HASLC’s 2020 comprehensive budget. There was no public in attendance, so Dave closed the Public Hearing for the budget review.
B) APPROVE RESOLUTION #720-2019 approving the annual 2020 comprehensive budget.

Daniel Nackerman, Executive Director

The Executive Director pointed out the draft budget had been posted on our website and the Utah Public Notice website with the Public Hearing date of today.

Dan announced that the Finance Director, Mark Short, has resigned his position and that Ryan Webb, will be the Acting Director of Finance. Ryan is currently our Manager of Human Resources.

Tyson Montoya, Controller, is here to help us today with the budget presentation.

There are some changes in this year’s budget which includes the addition of the Third Party Management Group taking over management of Jefferson School, Jefferson School II, and Cambridge Cove. There is also a detailed letter to the board which describes other significant variances. Both revenues and expenses are expected to be higher than the previous year. This includes the high insurance costs. We are still trying to find a new insurance company that will offer lower costs.

The HASLC 2020 Budget Book was distributed to the Commissioners which provides detailed information on all of our properties, programs and administrative costs.

Motion

Commissioner Koga made a motion to approve RESOLUTION #720-2019 approving the annual 2020 comprehensive budget. Commissioner Litvack seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell and Sparks voting in favor. There were no objections or abstentions.

C) PUBLIC HEARING for 2020-2024 PHA Five Year Plan – Board Chair

Chair Mansell opened the Public Hearing for the 2020-2024 PHA Five Year Plan. There was no public in attendance so he closed the Public Hearing.

D) MOTION TO APPROVE RESOLUTION #721-2019 approving the 2020-2024 PHA 5-Year Plan for submittal to the U.S. Department of Housing and Urban Development.

Kim Wilford, Deputy Executive Director
The Five Year Draft Plan was posted on our web site; an advertisement was published in the local newspaper over the week-end of 9/21/2019 with a Public Notice of an Open Public Hearing to be held at the October 28, 2019 Board Meeting. The public comment period ends 11/5/2019.

The draft plan was presented to the Resident Advisory Board (RAB) on 9/25/2019 and posted in common areas at all of our properties as well as the Housing Authority Front Desk.

This 2020-2024 Five Year Plan includes the categories of PHA Summary and Availability of Information for the Plan, The Agency Mission for serving the needs of the families in the jurisdiction over the next five years, Goals and Objectives over the next five years, and a progress report of the previous Five Year Plan Goals and Objectives. The plan also includes a statement of the PHA’s goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of victims of domestic violence, dating violence, sexual assault, or stalking. A statement on the criteria used for determination of a significant amendment to the Five Year Plan is required in addition to the minutes with comments submitted by the Resident Advisory Board (RAB) with a narrative analysis of the RAB recommendations and decisions.

The Annual Plan will be presented at next month’s board meeting.

**Motion**

Commissioner DePaulis moved to APPROVE RESOLUTION #721-2019 approving the 2020-2024 PHA 5-Year Plan for submittal to the U.S. Department of Housing and Urban Development. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**E) APPROVE RESOLUTION #722-2019** authorizing execution of a Land Lease Option regarding properties owned by HASLC and Housing Connect for the leasing of the City Plaza property to New City Plaza, LLC.

*Daniel Nackerman, Executive Director*

The HASLC and Housing Connect (formerly Housing Authority of Salt Lake County) are entering the High Rise and City Plaza into HUD’s Rental Assistance Demonstration (RAD) program, wherein properties are removed from Public Housing program and into a voucher based program. The agencies executed a Memorandum of Understanding for development and ownership of the community in July 2019 which was approved by the Commission. Also approved was a Resolution for submission of a 4% Private Activity Bond in September 2019. To facilitate the application and continued development,
Housing Connect and HASLC will enter a Lease Option under which each agency will lease its portion of the property parcel to New City Plaza Partners. The Land Lease will be submitted as part of the 4% application for tax credits.

**Motion**

Commissioner Sparks moved to approve Resolution #722-2019 authorizing execution of a Land Lease Option regarding properties owned by HASLC and Housing Connect for the leasing of the City Plaza property to New City Plaza, LLC. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**F) AUTHORIZE** execution of a construction contract with Commercial Mechanical for the replacement of the major HAVAC components at the Ben Albert Apartment site at a maximum amount of $245,200.

*Kim Wilford, Deputy Executive Director*

The Chiller and Cooling Tower at Ben Albert Apartments was installed in 1990 and is experiencing a multitude of issues due to its age, and as such is in need of replacement.

In August 2019 an Invitation to Bid (ITB) was issued to seek competitive bids from firms to provide demolition/re-installation of the old equipment and subsequent replacement of the chiller and cooling tower. The ITB was posted to the HASLC website for a period of 15 days. Two responses were received by the deadline. Commercial Mechanical offered the best price and value. They are also much more energy efficient. We recommend that they be awarded this contract.

**Motion**

Commissioner DePaulis made a motion to authorize execution of a construction contract with Commercial Mechanical for the replacement of the major HAVAC components at the Ben Albert Apartment site at a maximum amount of $245,200. Commissioner Sparks seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**G) AUTHORIZE** write-offs of uncollected debt for two quarters, FY19 Q2 and Q3 in the combined amount of $125,325.

*Tyson Montoya, Controller*
The Housing Authority of Salt Lake City (HASLC) conducted a reconciliation of our uncollected receivables of bad debt for the 2nd and 3rd quarters of FY 2019. The uncollected debt is due to one or more of the following reasons:

- Tenant past due rents or uncollected amounts from repayment agreements
- Maintenance back-charges from tenant related property damage
- Legal charges associated with tenant evictions (no treble damages)
- Unreported income by tenants causing a retroactive increase in rents resulting in payback agreements that were not met
- Landlord overpayments often resulting from unreported tenant moves, tenant skips, or tenants that pass away.

During the 2nd Quarter of FY 2019, HASLC incurred $65,699 in bad debt. We incurred $59,404 during the 3rd Quarter of FY 2019. Examples of the larger amounts are detailed in the Board Report.

Commissioner Litvack asked for clarification on tenant evictions. Dan explained that there are evictions and what is also known as “tenant skipping”. A discussion ensued about the two terms and the ramifications around each. It was recommended that in future write-off reports, that we distinguish between the two.

We recommend the board approve the uncollected debt write-off amounts for two quarters, under the provision that collection attempts will continue internally and through NAR, our external collection agency.

**Motion**

Commissioner Litvack made a motion to authorize write-offs of uncollected debt for two quarters. Commissioner DePaulis seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**H) RATIFY** selection of Enterprise Housing Credit Investment, LLC as Equity Investor for the Capitol Homes project and ratify execution of related 9/04/2019 letter of interest

Daniel Nackerman, Executive Director

Capitol Homes, a 92-unit apartment development on State Street in Salt Lake City, has been in the works for some time with major completed milestones consisting of site acquisition, drawing and specifications completion and attainment of a 9% tax credit financing allocation.
As the final assembly of financing takes place, a Request for Proposals was issued in August 2019 to obtain interest from qualified financing organizations in the needed areas of 1) Construction financing; 2) Equity deliverance for the Tax Credits, and 3) Permanent Financing/Mortgage (debt). We received six proposals by the deadline. After a thorough analysis by our financial advisor and a two-person staff team, the following firms are recommended for procurements in their category.

The selection of Enterprise for Equity deliverance is recommended for Equity Deliverance.

The selection of KeyBank is recommended for Construction Financing.

The selection of Key Bank is recommended for Permanent Loan.

It was recommended that we make a motion for all 3 items since they are related.

I) RATIFY selection of Key Bank as Construction Lender for the Capitol Homes project and ratify execution of related 9/05/2019 Term Sheet

J) RATIFY selection of Key Bank as Forward Permanent Lender with Freddie Mac for the Capitol Homes project and ratify execution of related 8/27/2019 loan quote and October 28, 2019 application

Motion

Commissioner DePaulis made a motion to RATIFY selection of Enterprise Housing Credit Investment, LLC as Equity Investor for the Capitol Homes project and ratify execution of related 9/04/2019 letter of interest; and RATIFY selection of Key Bank as Construction Lender for the Capitol Homes project and ratify execution of related 9/05/2019 Term Sheet; and RATIFY selection of Key Bank as Forward Permanent Lender with Freddie Mac for the Capitol Homes project and ratify execution of related 8/27/2019 loan quote and October 28, 2019 application. Commissioner Sparks seconded. The motion passed unanimously with Commissioners DePaulis, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

K) UPDATE REPORT for the only remaining Public Housing sites at HASLC including two properties converted to HUD’s Rental Assistance Demonstration (RAD) program and two others converted through HUD’s Streamlined Voluntary Conversion Program

Dan congratulated Kim Wilford for her hard work on our RAD conversions. Lots of conference calls, lots of back and forth. There are three groupings of properties. They all
happen to be senior apartments. The status of each of these properties is provided on the Board Report, “RAD Conversion Update”.

After closing-out of City Plaza and Rendon Terrace through RAD, the HASLC will have 169 units and therefore qualify for Streamlined Voluntary Conversion. The tenant protection vouchers provide higher rents that the current subsidy or RAD, allowing for greater revenues. The Streamlined Voluntary Conversion process requires offering residents the opportunity to move and take their voucher as tenant based or stay and assign the voucher to the unit (project based) or stay and hold their voucher. A meeting was conducted at both properties in September explaining these options and to take a survey of current residents. The results were 8 residents move and take the voucher; 13 stay and assign the voucher to the unit; and 54 receive tenant based vouchers and stay in the unit.

Therefore, HASLC is proceeding with this conversion strategy in lieu of the original plan to convert to RAD. The options for residents are more varied and the fiscal bottom line is greatly improved through the extra voucher granted.

COMMUNICATIONS

EXECUTIVE DIRECTOR REPORT

- One local hot issue is that as we try to find resources to house the homeless; the State is considering funding us to help make some purchases that we were thinking of buying; a couple of motels that we have discussed at previous meetings: Main Street Motel and the Gateway Motel that we have been trying to buy for the last few years. We will bring more information to the Board as we get more information.

- Board Chair Mansell, HAME Board Member, Phil Bernal, and the Executive Director were presented with two national Agency Awards of Excellence at the NAHRO Conference in San Antonio, Texas. The awards were for HASLC’s “Program Innovation – Resident and Client Servicers” and “Project Design.” Dave Mansell commented about what a positive experience it was to attend the NAHRO conference. He attended several workshops that strengthened his position on our Moving to Work and RAD programs. He also made a suggestion based on a workshop that he attended that we should adopt a down payment assistance program for our clients. The program is called “Movin’ On”. A discussion ensued about the positive impact this would have on our clients. Dan said this also ties in with our Family Self Sufficiency program.

- We are having our Ribbon Cutting for the Denver Street community on November 1st. This creative and unique project, wherein 12 existing units were converted into 22 and where medical funding is also utilized for rent, serves as a national example. While HASLC and HAME provided most of the infrastructure
and financing, other partners such as “Volunteers of America”, GIV Development, and the Mayors of Salt Lake City and County will be the visible lead at the opening. The County Housing Authority (Housing Connect) will be the property manager.

**Motion**

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

The Housing Authority Meeting adjourned at 12:51 p.m.

Dave Mansell, Board Chair

Daniel Nackerman, Executive Director