

HOUSING AUTHORITY OF SALT LAKE CITY
(HASLC)

ELECTRONIC BOARD MEETING MINUTES

Housing Authority of Salt Lake City
1776 South West Temple
Wednesday, January 10, 2018
11:00 p.m. – 12:00 p.m.

An electronic (telephonic) meeting of the Board of Commissioners of the Housing Authority of Salt Lake City was held from 11:00 a.m. – 12:00 p.m.

Board Members in Attendance

Palmer DePaulis, Chair

Board Members on Conference Call

Cindy Gust-Jenson, Commissioner
Brenda Koga, Commissioner
David Litvack, Commissioner
Dave Mansell, Vice-Chair
Alfonsa Price, Commissioner
Les Sparks, Commissioner

Staff in Attendance

Daniel Nackerman, Executive Director
Mark Short, Director of Finance
Laryn Hill, Director of Property Management
Joe Post, Director of Real Estate Development
Charlene Owen, Administrative Assistant

Guest

Philip Bernal

Legal Counsel

Ryan Warburton, Gilmore & Bell

Chair DePaulis 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 phone.

NEW BUSINESS

A) Adopt Resolution #600-2018 authorizing amendments to, and restatements of, the Articles of Incorporation and Bylaws of the HASLC affiliate non-profit organization, Housing Assistance Management Enterprise (HAME) thereby adding Board Members and making other changes.

Daniel Nackerman, Executive Director

As the growth of activities performed by HAME and as the need for the entity to stay arm-s-length where required from direct HUD funding, staff is recommending the possible addition of two (2) additional Board Members guiding HAME. These two Board Members would not be members of the Housing Authority Commission. They would be filled by recommendation of the Chair or Vice Chair of the Housing Authority with a majority “election” by the board. Each term would be 4 years, with two terms maximum.

In order to effectuate these changes, amendments to the incorporation documents and bylaws of these entities will be required.

The new documents allow for HASLC’s Board Chair, Vice-Chair and Executive Director to be automatically appointed as HAME’s Chair, Vice-Chair and President, respectively. These individuals will be appointed in their positions at HAME – as well as removed – automatically upon their appointment, election or removal from HASLC – all without separate action by HAME’s board.

The Housing Authority Board as known as Commissioners and the members of the two non-profits will be known as Board Members or Trustees.

For the benefit of the new Commissioners these two non-profits (HAME and HDC) have been in business for 23-24 years and are 501(c)3 separate entities; however, they are instrumentalities of the Housing Authority. HAME has become very active lately in real estate development.

There were other clean-up changes in the Articles of Incorporation. They were outdated and sometimes conflicted with the Bylaws new and old.

Ryan Warburton, our legal counsel, stressed the importance of keeping the entities separate and why we have three separate meetings. The addition of two Board Members makes the distinction between the Housing Authority and the two non-profits.

He said as Dan indicated, there were clean-up changes in the Articles of Incorporation. Changes were for clarification, getting rid of some conflicts between the documents and in the event of dissolution clarifying how assets would be distributed. We clarified the assets could go back to the Housing Authority first or given to a non-profit.

Board member David Litvack requested a red-line document showing the changes in the Bylaws and Articles of Incorporation. We will forward that document to the Board.

Motion

Board Member Mansell moved to adopt Resolution #600-2018 approving changes to the Articles of Incorporation and Bylaws of HAME adding additional Board Members and revising/updating other elements. Board Member Litvack seconded the motion. The motion passed with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. Board Member Price abstained.

B) Adopt Resolution #601-2018 authorizing amendments to, and restatements of, the Articles of Incorporation and Bylaws of the HASLC affiliate non-profit organization, Housing Development Corporation (HDC) thereby adding Board members and making other changes

This is very similar to the prior resolution – adding two additional board members. One of the main differences is the transfer of assets, which we just discussed (distribute remaining assets of HDC to HASLC if the entity is ever dissolved).

Motion

Board member Sparks moved to adopt Resolution 601-2018 authorizing amendments to, and restatements of, the Articles of Incorporation and Bylaws of the Housing Development Corporation (HDC) thereby adding Board members and making revising/updating other elements. Board Member Koga seconded the motion. The motion passed with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. Board Member Price abstained.

C) APPROVE execution of 20-30 day extensions and increase deposits for three (3) Purchase and Sale Agreements related to the acquisition of the Capital Motel and adjacent sites.

Daniel Nackerman, Executive Director

Dan recapped that we have been working for many months on a potential redevelopment site along the 1700 block of State Street. We refer to that site as the Capital Motel site but it also includes some parcels on each side of that site. There are a total of 4 parcels with 3 owners.

The purchase of the land and our due diligence were delayed several times; we were working closely at the time with the city's HAND Department and the Mayor's Blue Ribbon Committee. We were asked to tie this up originally on behalf of this committee. We've been interested in older motels as redevelopment sites for well over a year. Usually if they're blighted and poorly managed, there is little nimbyism as the neighbors are glad to see anything but what is there now.

We're glad to report that all of this hard work is starting to pay off; the funding of the sites is coming to fruition. We received a fully approved commitment by the city Redevelopment Agency yesterday for \$3.2 million dollars in what amounts to a forgivable loan. It's an unusual loan where we do pay interest and principal during construction. Then we don't pay anything for the next 16-18 years at which time it will may be forgivable at the end of a 20-year period.

As a reminder the project as it stands now is 108 units. All those parcels are under contract. It will probably be 4-5 stories. Our income mix that we proposing will include 67% affordable and 33% market rate. The construction costs are about \$12.8 million; the total project costs are about \$20.6 million, and the other sources of funds besides the RDA would be a tax credit application next year that will bring in substantial funding (over 10 million). The state Olene Walker Fund loan would be a million dollars. Also, some short term and long term debt. The short term debt would be a Key Bank loan that we issued an RFP for in October. This board approved Key Bank as the first lender of choice.

This total of 1.28 acres site has a total price tag of \$4,125,000. We have exercised extensions over these months. A few of these extensions had to become non-refundable. So far, with board approval, we have approved \$52,500 in non-refundable extensions. What we're asking for today is permission to negotiate up to \$32,000 more in non-refundable extensions. As it stands today, the closing of these properties - 2 out of the 3 parcels expires on January 16th; the closing of the third parcel expires 15 days after the Reagan sign issue is solved. It is kind of a "floating closing date" right now.

Staff is recommending that we negotiate quickly over the next few days and try to get extensions without any more non-refundable money. As you might expect the sellers are at their "wits end" waiting for us to assemble this project.

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We will also be having this issue at the end of the month where we'll try to fill in some of the blanks. We're very excited that the City has stepped forward with this major commitment of funding and we appreciate the Board Members helping to make this happen.

There was a question about extensions and Dan said there will be no extensions beyond February 13th, 2018, which is the closing date.

A discussion ensued about some of the obstacles we have had with Reagan Sign Company. Our broker who is doing some of the negotiations feels there is enough common ground to reach an executed agreement.

Commissioner Gust-Jenson asked if we could amend the Resolution to authorize the purchase just to keep everything moving. Another extension makes it less certain. We would make the amendment to this agenda and the HAME agenda. We will ratify the amendment at our next Board Meeting at the end of January.

Motion

Commissioner Gust-Jenson moved to authorize the Housing Authority to move forward in good faith with the purchase of the 3 parcels that are available and/or to make arrangements that preserve the opportunity to complete those purchases as soon as adequate funding is available. We also authorize the Housing Authority to enter into a loan with the RDA to execute all loans, documents necessary to achieve this end. Commissioner Price seconded the motion. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

Motion

Commissioner Mansell moved to adjourn the HASLC meeting and convene the HAME meeting. Commissioner Sparks seconded. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

The HASLC meeting adjourned at 12:00 p.m.

HOUSING ASSISTANCE MANAGEMENT ENTERPRISE
(HAME)

ELECTRONIC BOARD MEETING MINUTES

Housing Authority of Salt Lake City
1776 South West Temple
Wednesday, January 10, 2018
12:00 p.m. – 12:08 p.m.

An electronic (telephonic) meeting of the Board of Commissioners of the Housing Assistance Management Enterprise of Salt Lake City was held from 12:00 p.m. – 12:08 p.m.

Board Members in Attendance

Palmer DePaulis, Board Chair

Board Members on Conference Call

Cindy Gust-Jenson, Board Member

Brenda Koga, Board Member

David Litvack, Board Member

Dave Mansell, Vice Chair

Alfonsa Price, Board Member

Les Sparks, Board Member

Staff in Attendance

Daniel Nackerman, Executive Director

Mark Short, Director of Finance

Laryn Hill, Director of Property Management

Joe Post, Director of Real Estate Development

Charlene Owen, Administrative Assistant

Guest

Phil Bernal

Legal Counsel

Ryan Warburton, Gilmore & Bell

Chair DePaulis convened the electronic meeting of the Housing Assistance Management Enterprise (HAME).

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

NEW BUSINESS

A) Adopt Resolution #602-2018 approving changes to the Articles of Incorporation and Bylaws of HDC adding additional Board Members and revising/updating other elements.

Daniel Nackerman, Executive Director

As the growth of activities performed by HAME and as the need for the entity to stay arms-length where required from direct HUD funding, staff is recommending the possible addition of two (2) additional Board Members guiding HAME.

In order to effectuate these changes, amendments to the incorporation documents and bylaws of these entities will be required.

Motion

Board Member Les Sparks moved that we adopt the same motion that we adopted in the Housing Authority of Salt Lake City meeting approving the changes to the Articles of Incorporation and Bylaws of HAME adding additional Board Members guiding HAME. Board Member Koga seconded the motion. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

B) Recommendation and election of Phil Bernal as Board Member effective January 29, 2018 as a voting director for HAME.

Motion

Vice Chair Dave Mansell moved to elect Phil Bernal as a Board Member of HAME effective January 29, 2018. Board Member Les Sparks seconded the motion. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

Communications

Executive Director Daniel Nackerman requested to add an item to agenda that was not available until this morning regarding the Capital Motel project and that is to authorize the staff representing HAME to take all actions necessary to purchase any available properties related to the Capital Motel project and to authorize execution of loan documents with any lenders and further, to authorize the acceptance of funding from the Housing Authority if necessary to conduct those transactions or extend the purchase date as necessary.

Motion

Commissioner Mansell moved to add the above item to the HAME agenda as an emergency item. Commissioner Koga seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

Commissioner Gust-Jenson moved to express our intent to move forward in the same way in the Housing Authority in terms of advancement of Capital Motel and ratified in our next meeting. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

The HAME meeting adjourned at 12:08 p.m.

Palmer DePaulis, Board Chair

Daniel Nackerman, Executive Director

HOUSING DEVELOPMENT CORPORATION
(HDC)

ELECTRONIC BOARD MEETING MINUTES

Housing Authority of Salt Lake City
1776 South West Temple
Wednesday, January 10, 2018
12:08 p.m. – 12:12 p.m.

An electronic (telephonic) meeting of the Board of Commissioners of the Housing Assistance Management Enterprise of Salt Lake City was held from 12:08 p.m. – 12:12 p.m.

Board Members in Attendance

Palmer DePaulis, Board Chair

Board Members on Conference Call

Cindy Gust-Jenson, Board Member

Brenda Koga, Board Member

David Litvack, Board Member

Dave Mansell, Vice Chair

Les Sparks, Board Member

Staff in Attendance

Daniel Nackerman, Executive Director

Mark Short, Director of Finance

Laryn Hill, Director of Property Management

Joe Post, Director of Real Estate Development

Charlene Owen, Administrative Assistant

Guest

Phil Bernal

Legal Counsel

Ryan Warburton, Gilmore & Bell

Chair DePaulis convened the electronic meeting of the Housing Development Corporation (HDC) at 12:08 p.m.

Roll Call of the Board Members present and on the phone. We have all the same members as in the Housing Authority meeting with the exception of Board Member Alfonsa Price, who left the conference call due to technical problems.

NEW BUSINESS

A) Adopt Resolution #603-2018 approving changes to the Articles of Incorporation and Bylaws of HDC adding additional Board Members and revising/updating other elements.

Daniel Nackerman, Executive Director

As the growth of activities performed by HDC and as the need for the entity to stay arm's-length where required from direct HUD funding, staff is recommending the possible addition of two (2) additional Board Members guiding HAME.

In order to effectuate these changes, amendments to the incorporation documents and bylaws of these entities will be required.

Motion

Board Member Koga moved that we adopt the same motion that we adopted in the Housing Authority of Salt Lake City meeting approving the changes to the Articles of Incorporation and Bylaws of HDC adding additional Board Members guiding HDC. Board Member Sparks seconded the motion. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

B) Recommendation and election of Phil Bernal as Board Member effective January 29, 2018 as a voting director for HDC.

Motion

Board Member Gust-Jenson moved to elect Phil Bernal as a Board Member of HDC effective January 29, 2018. Board Member Mansell seconded the motion. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

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HDC

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Motion

Board Member Sparks made a motion to adjourn the HDC meeting. Board Member Koga seconded. The motion passed unanimously with Board members DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Sparks voting in favor. There were no objections or abstentions.

The HDC meeting adjourned at 12:12 p.m.

Palmer DePaulis, Board Chair

Daniel Nackerman, Executive Director