

**HOUSING AUTHORITY OF SALT LAKE CITY**  
**(HASLC)**

**BOARD MEETING MINUTES**  
Housing Authority of Salt Lake City  
1776 South West Temple  
Monday, May 21, 2018  
11:00 p.m. – 2:46 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. – 2:46 p.m.

**Board Members in Attendance**

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

**Guest**

Phil Bernal, HAME and HDC Board Member

**Staff in Attendance**

Daniel Nackerman, Executive Director  
Kim Wilford, Deputy Executive Director  
Britnee Dabb, Deputy Director  
Mark Short, Director of Finance  
Tyson Montoya, Controller  
Laryn Hill, Director of Property Management  
Joe Post, Director of Real Estate Development  
Jackie Rojas, Director, Section 8  
Zac Pau'u, Acting Deputy Director  
Charlene Owen, Administrative Assistant

**Legal Counsel**

Ryan Warburton, Gilmore & Bell

**Vice Chair Mansell 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**

None

**MOTION FOR APPROVAL OF THE HASLC OPEN MEETING MINUTES OF APRIL 30, 2018**

The Executive Director has provided each Commissioner with a copy of the written minutes of the April 30, 2018 Open Meeting. The Commissioners acknowledged they had sufficient time to review these minutes. There are two corrections to the minutes:

On Page 3 of the April 30, 2018 Minutes in the Motion to Approve execution of contract with ProGreen for annual landscaping the following words should be added:

“The contract format will be further refined by attorney before execution”

Also, on Page 7 under the Monthly Update on Veterans Housing, it should be corrected: “HAME” Board Member Bernal” instead of Board Member Bernal.

Vice Chair Mansell called for a motion.

**Motion**

Commissioner Price moved to approve the HASLC Open Meeting Minutes of April 30, 2018. Commissioner Koga seconded the motion. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**New Employee Introductions**

*Britnee Dabb, Deputy Director*

Three new employees were introduced:

Quinn Wiperi, Procurement and Contracts Specialist

Janiel Laterza, Property Manager, Taylor Springs, Jefferson Circle

Kalae Aiko, Activities Coordinator at Freedom Landing

*Commissioner Litvack joined us at 11:10 a.m.*

**NEW BUSINESS**

**A) REVIEW AND ACCEPT 2017 Financials and Audit Report.**

*Mark Short, Chief Financial Officer and Auditor*

Each year our contracted auditors, Smith Marion & Company do an interim audit at the end of the year to review internal controls and to do a single audit of Section 8 which is our major program. This includes sample selections of account payable check registers, Public Housing billing registers and items related to payroll/personnel. The single audit of the Section 8 program also includes Housing Assistance Payments (HAP) registers for eligibility requirements. Special testing is performed for all new or transferred participants and a listing of all failed HQS inspections. A current listing of board members and board minutes from the beginning of the current fiscal year to the end is also reviewed.

The auditor gave a power point presentation as he reviewed the draft report.

The financial highlights are:

Total assets increased by \$516,491 due to the completion/capitalization of 9<sup>th</sup> East Lofts and increased cash flow from other properties.

Total liabilities decreased by \$12,814,414 due primarily to retiring construction loans with tax credit equity.

Our overall net position increased \$13,359,419.

Executive Director Nackerman recommended tabling the motion to accept the 2017 Audit Report and Financials until our next meeting as some of the numbers have changed from the initial numbers given in the report.

**Motion**

Commissioner Gust-Jenson made a motion to defer accepting the 2017 Audit Report and Financials to our next meeting. Commissioner Koga seconded. The motion passed unanimously with Commissioners Gust-Jenson, Koga, Litvack, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

*Chair DePaulis joined the meeting at 11:50 a.m.*

**B) REVIEW AND APPROVE** interest in project and selection of developer partner for the Overniter Motel site development opportunity.

*Daniel Nackerman, Executive Director*

We have some background with this potential housing project along West North Temple for many months. The project consists of an old motel of 59 units (now abandoned) known as the Overnighter Motel. HAME/HASLC helped purchase this site and performed most of the due diligence on behalf of the City (both the Mayor's "Blue Ribbon" committee and the RDA). At that time the RDA decided to purchase the property rather than hand it to a developer without a process. Since that time the RDA has recently issued a Request for Proposal to redevelop the site.

HASLC staff discussed participation in this competitive RFP process with the Board at the April meeting and the Commissioners generally expressed concern as to capacity since at least three development projects are already underway and future projects have certain caps.

Staff considered such and feels it in the best interest of HASLC and the City to provide a joint developer proposal, with a strong development partner. In order to find a qualified, mission-based developer partner HASLC issued a Request for Qualifications in April 2018 to at least nine (9) firms and received four (4) proposals by the deadline. After a scoring process, Brinshore Development was deemed the highest ranked firm.

The anticipated partnership would likely take shape as follows:

- A) Brinshore and HAME as co-general partners at roughly a 50/50 or 60/40 split.
- B) Pre-development costs split at similar ratios
- C) Full community and local input planning led by HASLC/HAME.
- D) Tax credit application prepared jointly but with Brinshore as the likely lead.
- E) Project based voucher competition by HASLC designed for this and similar projects
- F) Both Brinshore and HASLC as Guarantors
- G) Developer Fees split at similar ratios but HASLC defers its share if needed
- H) Property Management likely by HASLC/HAME
- I) HASLC/HAME as ultimate single owner at 15 year tax credit exit.

A discussion ensued as to whether we take the next steps in a large development for a City-sponsored project of 200-300 units with a strong development partner. Capacity is a real concern.

**Motion**

Commissioner Litvack moved to submit a proposal to the RDA and if successful, authorize the Housing Authority to negotiate with Brinshore Development as our Developer Partner for the Overnighter Motel site. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Litvack, Mansell, and Price voting in favor. Commissioner Mansell abstained. Commissioner Sparks voted no. The motion passed.

**C) REVIEW AND APPROVE RESOLUTION #613-2018** for the Guarantee of the HAME loan with Zions Bank for the acquisition and pre-development costs related to HAME's Capitol Homes project

*Daniel Nackerman, Executive Director*

After many months of predevelopment and financing activities the Housing Authority instrumentality HAME purchased the sites for the Capitol Motel Project utilizing proceeds from a substantial loan with the City Redevelopment Agency (RDA) as well as a cash reserve loan from HASLC. HAME and HASLC then pursued a short term loan of \$2,000,000 to cover the HASLC transactions and to fund predevelopment and early construction activities. The Board conceptually approved a loan with Zions Bank in early February and the final terms and documents are now presented for approval.

The terms for the \$2,000,000 loan are as follows:

Interest Rate of 3.68%  
Mature Date: April 15, 2022  
Prepayment Penalty: None

**Motion**

Commissioner Sparks moved to approve Resolution #613-2018 approving a loan by HAME with Zions Bank regarding the Capitol Motel Project. Commissioner Litvack 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.

**D) REVIEW AND APPROVE** 2018 first quarter account write-offs in the total amount of \$6,870.

*Daniel Nackerman, Executive Director*

For the newer Board Members, we've gone through a 2-year period with fairly hefty write offs every quarter. We've had various issues over those two years.

The detail of the write-offs has been provided in the Board Report.

**Motion**

Commissioner Price made the motion to approve the bad debt write off amount of \$6,870. Commissioner Litvack 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.

Commissioner Litvack requested that at a future meeting we have some clarification of eviction policies. We have agreed to do so.

**Motion**

Commissioner Sparks made a motion to go into Closed Session. 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.

HASLC Meeting went into Closed Session at 1:30.

**Motion**

Commissioner Gust-Jenson made a motion to leave Closed Session and move back into Open Session. 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.

HASLC Meeting went back to Open Session at 1:51 p.m.

*David Litvack left the meeting at 1:51 p.m.*

**G) REVIEW AND APPROVE** the execution of Contract Close-Out documents with Zwick Construction for the completion of 9<sup>th</sup> East Lofts

*Daniel Nackerman, Executive Director*

There's been a dispute with Zwick Construction at the closing of 9<sup>th</sup> East Lofts. We're nearing the end of the negotiation process for that dispute without it turning into something more formal. We therefore developed a project close out agreement that is not

necessarily a legal settlement. We're recommending authorizing the Executive Director to execute a 9<sup>th</sup> East Lofts Project Close-Out agreement with Zwick Construction congruent with the terms outlined herein.

**Motion**

Commissioner Sparks made a motion to authorize the Executive Director to execute a 9<sup>th</sup> East Lofts Project Close Out agreement with Zwick Construction. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**E) REVIEW AND APPROVE 2018 First Quarter Budget Report**

*Daniel Nackerman, Executive Director and Mark Short, Finance Director*

The Housing Authority of Salt Lake City provides housing opportunities through HUD subsidized programs such as "Public Housing" and Housing Choice Vouchers (Section 8) as well as through Tax Credit funded and other properties that are owned by the Housing Authority.

Our Voucher Program is a little under-utilized for the first quarter. We're being very cautious. The net operating profit is \$100,636.

The Public Housing shows a net operating loss of (\$44,564) which is where we expected it to be.

The Homeless Sites show a net operating loss of (\$58,311). Our occupancy levels at our Homeless Sites, especially Valor House and a couple other great per diem sites with the VA are causing us to struggle. The Homeless Properties show a net operating loss of (\$58,311).

The Authority Owned portfolios show a net profit of \$274,753. We've done a fair amount of physical repair and have requested replacement reserve fund reimbursement to cover this expense.

For the First Quarter and for the entire agency our net income is \$814,767.

**Motion**

Commissioner Koga moved to accept the 2018 First Quarter Budget Report. Commissioner Price seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**D) REVIEW AND APPROVE RESOLUTION #614-2018** approving compensation structure changes at HASLC including salary range level changes and market updates per job classification based on a study by a third party.

*Daniel Nackerman, Executive Director*

It's been several years since this agency has done a compensation study on the classifications of its jobs and how they compare to the market. The market is difficult to measure because there's not a lot of Housing Authorities around us. There are a lot of Public Sector employees around us which we have included in this study. Last year we hired a professional firm to do this study for us. The firm is called NFP. Britnee oversaw the process. Their results showed 15% of non-management positions below average salary ranges and 65% of management positions below the average.

A power point was presented during the last Board meeting detailing the study and providing an outline for making adjustments. HASLC will rely mostly on the "average" compensation levels to adjust compensation up or down to meet those averages. We did make a few tweaks in our recommendations. Two management classifications (Deputy Director of Homeless Programs and Human Resource Manager) were overstated in the report as they were usually the top position in that comparable agency or company for that role. Some Housing Authorities don't even have Homeless Programs. We lowered the recommended spread by 11%. Also, 2-3 of the new ranges suggested were based on flawed data – as an example, the consultant didn't know we have our own minimum wage well above Utah's minimum wage and therefore suggested we lower the range for custodian (we are not going to do that).

The annual cost to adjust the base would be \$270,024. A portion of the base costs in some classifications would be spread over two years for budget impact purposes.

These changes to our compensation structure raise our overall administration costs by approximately 4.5% on a permanent basis.

A budget revision will be brought for consideration at our next Commission meeting in order to absorb these updated schedules and to target some savings for 2018.

HASLC leadership staff is confident these modernized compensation schedules will help greatly with job satisfaction, retention and recruitment.



**Motion**

Commissioner Gust-Jenson made a motion to accept the Compensation Study and to authorize the changes that the Executive Director is recommending. Commissioner Koga seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**Motion**

Commissioner Sparks made the motion to recess from HASLC and go into the HAME Meeting. Commissioner Gust-Jenson seconded. The motion passed unanimously with Commissioners DePaulis, Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

HASLC recessed at 2:20 p.m.

HASLC re-convened at 2:30 p.m.

**COMMUNICATIONS**

**EXECUTIVE DIRECTOR REPORT**

*Daniel Nackerman, Executive Director*

We've had significant neighborhood opposition on Capitol Homes. We've worked very hard on that and we think we are in great shape now with the neighbors.

We had a national HUD team come here from both Denver and Washington, D.C. The staff took them on a tour and they were very impressed.

We did cement financial contributions for the new downtown Salt Lake development projects Magnolia and Liberty Uptown apartments. 65 and 15 Project-based Vouchers will be issued respectively.

We had an "All Hands" meeting with full staff held in mid-May. They are effective team-building meetings. We emphasized the Property Management business area.

The Veterans Administration site and program findings were cleared at all locations.

## BOARD MEETING MINUTES

HASLC

May 21, 2018

We've been meeting regularly with the Asian Association of Utah and are close to forming some housing assistance with that organization.

Under Britnee's and Kim's leadership we had a booth at the Utah Apartment Association's Fair Housing Education Conference and Tradeshow that was very successful.

On our Resource Management Summary Report, it was noted that we had three employees terminate. HASLC turnover rate is significantly lower than the industry as a whole.

We received the Pamela Atkinson Homeless Trust Fund award of \$513,617. This is an increase of \$399,911 over last year's award and reflects our agency's goals of improving our homeless response and increasing our capacity to assist clients.

We got a new TANF grant of \$1,000,000 for Temporary Assistance for Needy Families from the state. We'd like to credit Zac for obtaining this grant.

### **CHAIR REPORT**

*Palmer DePaulis, Chair*

Palmer provided the dates and locations for NAHRO, PHADA, CLPHA and NLHA conferences.

Palmer also talked about initiating an annual evaluation for the Executive Director. Palmer passed out questionnaires to the Commissioners that contains a rating system. This is similar to last year's evaluation. He would like to conclude this process by July 1, 2018.

### **Motion**

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

BOARD MEETING MINUTES  
HASLC  
May 21, 2018

The Housing Authority Board Meeting adjourned at 2:46 p.m.

  
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Palmer DePaulis, Board Chair

  
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Daniel Nackerman, Executive Director

**HOUSING ASSISTANCE MANAGEMENT ENTERPRISE**  
**(HAME)**

**BOARD MEETING MINUTES**  
Housing Authority of Salt Lake City  
1776 South West Temple  
Monday, May 21, 2018  
2:20 p.m. – 2:30 p.m.

A meeting of the Board of Directors of the Housing Assistance Management Enterprise was held from 2:20 p.m. – 2:30 p.m.

**Board Members in Attendance**

Palmer DePaulis, Board Chair  
Dave Mansell, Vice Chair (by telephone)  
Philip Bernal, Board Member  
Cindy Gust-Jenson, Board Member  
Alfonsa Price, Board Member  
Les Sparks, Board Member

**Excused**

David Litvack, Board Member

**Staff in Attendance**

Daniel Nackerman, President, HAME  
Kim Wilford, Deputy Executive Director  
Britnee Dabb, Deputy Director  
Mark Short, Director of Finance  
Tyson Montoya, Controller  
Laryn Hill, Director of Property Management  
Joe Post, Director of Real Estate Development  
Jackie Rojas, Director, Section 8  
Zac Pau'u, Acting Deputy Director  
Charlene Owen, Administrative Assistant

**Legal Counsel in Attendance**

Ryan Warburton, Gilmore & Bel

**Board Chair DePaulis convened the meeting of the Housing Assistance Management Enterprise (HAME) of Salt Lake City.**

**PUBLIC COMMENT**

None

**MOTION FOR APPROVAL OF BOARD HAME MEETING MINUTES OF April 30, 2018**

The Executive Director has provided each Board Member with a copy of the written HAME Open Meeting minutes of April 30, 2018 and the Board acknowledged they had sufficient time to review these minutes. Board Chair DePaulis called for a motion.

**Motion**

Board Member Sparks moved to approve the HAME Meeting Minutes of April 30, 2018. Board Member Bernal seconded the motion. The motion passed unanimously with Board Members Bernal, DePaulis, Gust-Jenson, Koga, Mansell, Price and Sparks voting in favor. There were no objections or abstentions.

**NEW BUSINESS**

**A) APPROVE RESOLUTION #615-2018** for the HAME loan with Zions Bank for the acquisition and pre-development costs related to HAME's Capitol Homes Project.

*Daniel Nackerman, President of HAME*

After many months of predevelopment and financing activities HAME purchased the sites for the Capitol Motel Project in January and March 2018 respectively utilizing proceeds from a substantial loan with the City Redevelopment Agency (RDA) as well as a cash reserve loan from HASLC in the amount of approximately \$1,402,783.

HAME and HASLC then purchased a short-term loan of \$2,000,000 to cover the HASLC transactions and to fund predevelopment and early construction activities. The Board conceptually approved a loan with Zions Bank in February and the final terms and documents are now presented for approval.

The terms for the \$2,000,000 loan are as follows:

Interest Rate: 3.68% (as quoted in February meeting)

Mature Date: April 15, 2022

Prepayment Penalty: None

**Motion**

Board Member Koga moved to Adopt Resolution #615-2018 Approving a Loan by HAME with Zions Bank Regarding the Capitol Motel Project. Board Member Price seconded. The motion passed unanimously with Board Members DePaulis, Bernal, Gust-Jenson, Koga, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**B) APPROVE ADDENDUM #2 to Real Estate Purchase Contract (REPC) as Seller of the Denver Street Property**

*Daniel Nackerman, President, HAME*

We are the sellers of Denver Street property; we're part of the general partnership that has turned this into a tax credit project. Our primary partner is Volunteers of America. This partnership should have purchased this property already; they just did not raise the funds yet. We did get the tax credits. They did line up some permanent financing; as an example there's a \$500,000 loan from the city that's in place and executed. They are making some new demands here. It does create some different terms than what was in the original Real Estate Purchase Contract. It does delay the settlement which is fine with staff. But they also add Item "B" which states:

All obligations of relocating tenants now comes just to us, as the Housing Authority. The tenant relocation is going rather slowly although it is not costing as much as we originally thought.

There is some new lightweight language that if all financing is not in place, then the purchase will never take place.

We are recommending executing this but want to make the Board aware that there are some terms.

*Board Member Koga left the meeting at 2:25 p.m.*

**Motion**

Board Member Gust-Jenson moved to Approve Addendum No. 2 to Real Estate Purchase Contract (REPC) as Seller of Denver Street Property Resolution #615-2018 subject to final approval by our attorney. Board Member Price seconded. The motion passed

OPEN MEETING MINUTES

HAME

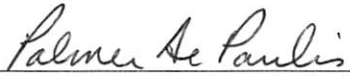
May 21, 2018


unanimously with Board Members DePaulis, Bernal, Gust-Jenson, Mansell, and Sparks voting in favor. There were no objections or abstentions.

**Motion**

Board Member Sparks moved to adjourn HAME. Board Member Bernal seconded. The motion passed unanimously with Board Members Bernal, DePaulis, Gust-Jenson, Mansell and Sparks voting in favor. There were no objections or abstentions.

The HAME Meeting adjourned at 2:30 p.m.

  
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Palmer DePaulis, Board Chair

  
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Daniel Nackerman, Executive Director