



HOUSING DEVELOPMENT CORPORATION OF SALT LAKE CITY

**Meeting Location: 1776 S. West Temple, Salt Lake City,
Utah or Electronic Video or Phone Conference**

REGULAR MEETING:

Monday, August 28, 2023

11:00 am – 2:00 pm

WEB OPTIONS:

<https://housingauthorityofsaltlakecity.webex.com/housingauthorityofsaltlakecity/j.php?MTID=mda44fcbddb590a1b2d46e9255e46c0fa>

OR

<https://signin.webex.com/join> Then enter

Meeting number: 2663 209 5633

Password: 1776

PHONE OPTION:

Dial 1-415-655-0001 Access Code: 2663 209 5633 Password: 1776

**If you need assistance connecting to the meeting remotely call 801-608-3394 during the scheduled time. Please call
801-428-0600 for more information or to request a meeting recording**

Board Members

Palmer DePaulis, Chair

***Mike Pazzi, Vice Chair
Bill Davis, Board Member
Dave Mansell, Board Member
Amy J. Hawkins, Board Member***

***Phil Bernal, Board Member
Brenda Koga, Board Member
Cindy Gust-Jenson, Board Member
Tess Clark, Resident Board Member***

BOARD MEETING AGENDA

1. Roll Call
2. Public Comment – *each participant will be allowed 3 minutes for comment.*
3. Motion to Approve HDC Open Meeting Minutes of June 26, 2023 (attachment)- Board Chair/ *3 minutes*
4. New Business

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- A) **AUTHORIZE WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU APRIL 2023.** (attachments) Deputy Executive Director, Kim Wilford; Finance Director, Joe Regan/ *20 minutes.*

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- B) **CONSIDER AND ACCEPT MONTHLY FINANCIAL STATEMENTS** thru July 2023. (attachments) – President, Daniel Nackerman and Director of Finance, Joe Regan / *5 minutes*

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Reports

- A) **Key Performance Indicator Report, Property Mgt: Deputy Director, Zac Pau'u**

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5. Unfinished Business (none)
6. Tentative Closed Session (none)

The Board will consider a motion to enter into Closed Session. A closed meeting may be held for specific purposes including, but not limited to:

- a) Discuss Strategy with Respect to Purchase/Sale of Real Property
- b) Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual
- c) Discuss Strategy with Respect to Pending or Reasonably Imminent Litigation

A closed meeting may also be held for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

One or more Commissioners of (HAME/HDC) may participate via telephonic conference originated by the President and within the meanings accorded to Utah Law, the meeting may be an Electronic Meeting, and the Anchor Location shall be located at 1776 South West Temple, Salt Lake City, Utah. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify HAME/HDC not less than 24 hours prior to the meeting.

7. Adjournment

Housing Development Corporation of Salt Lake City

Report Provided by: Board Chair
Department: Commission

Item: Meeting Minutes of June 26, 2023

August 28, 2023

Housing Development
Corporation



BACKGROUND:

Review and revise/approve meeting minutes from Open Meeting of August 28, 2023.
(Attached)

RECOMMENDATION:

Approve the meeting minutes of August 28, 2023.

DRAFT

HOUSING DEVELOPMENT CORPORATION OF SALT LAKE CITY

Housing Authority of Salt Lake City
Salt Lake City, UT

Monday, June 26, 2023
1:00 p.m. – 1:07 p.m.

The annual meeting of the Board Members of the Housing Development Corporation of Salt Lake City was held on June 26, 2023, from 1:00 p.m. – 1:07 p.m.

Board Members in Attendance

Palmer DePaulis, Chair
Michael Pazzi, Vice Chair
Bill Davis, Board Member
Brenda Koga, Board Member
Amy Hawkins, Board Member
Tess Clark, Resident Board Member

Board Members Excused

Dave Mansell, Board Member
Cindy Gust-Jenson, Board Member
Phil Bernal, Board Member (via phone left at 12:15)

Staff in Attendance

Daniel Nackerman, President, HAME
Kim Wilford, Deputy Executive Director
Paul Edwards, Agency Attorney
Joe Regan, Finance Director
Jonathan Olson, Vice President, Development
Zac Pau'u, Deputy Director
Kelly Walsh, Senior Housing Analyst (via WebEx)
Angel Myers, Administrative Executive

Legal Counsel in Attendance

Clay Hardman, Gilmore & Bell

Chair DePaulis convened the regular meeting of the Housing Development Corporation of Salt Lake City (HDC)

Roll Call

Public Comment

None

MOTION TO APPROVE HDC OPEN MEETING MINUTES OF MAY 22, 2023

Motion

Board member Koga made a motion to approve the **HDC Meeting Minutes of May 22, 2023**. Board member Davis seconded. The motion passed unanimously with Board Members Koga, Davis, Hawkins, Clark and DePaulis voting in favor. There were no objections or abstentions.

New Business

A) RESOLUTION # 819-2023 ADOPTING BUDGET REVISIONS FOR 2023 (attachments) *Deputy Executive Director, Kim Wilford and Finance Director, Joe Reagan, / 10 minutes.*

Dan: Yes, oh, for HDC, I'm sorry. Similar to HAME and the Housing Authority, we are updating the budget relatively mid-year for Housing Development Corporation. Some of the same issues that crossed over into HAME are crossing over here, where we do have more voucher funding and more rental income. Some of our interest expenses have gone up. We've had some extraordinary maintenance at these particular sites. \$50,000 at Ben Albert and \$20,000 at Jefferson, but there's been some decreases in those types of extraordinary maintenance as well, but the overall net increase is \$53,000 for some of the work we've been doing at these properties. We once again were impacted by things like natural gas and snow removal. So, this, the net effect of this is the decrease to our net projections at the end of the year. We now predict there will be \$228,000 net for HDC instead of the original budget of \$344,000.

Motion

Board member Clark made the motion to approve **RESOLUTION # 819-2023 ADOPTING BUDGET REVISIONS FOR 2023**. Board member Davis seconded. The motion passed unanimously with Board Members Koga, Davis, Pazzi, Hawkins, Clark and DePaulis voting in favor. There were no objections or abstentions.

- B) AUTHORIZE ADDITIONAL WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU FOURTH QUARTER 2022.**
(attachments) – *Deputy Executive Director, Kim Wilford; Finance Director, Joe Regan / 20 minutes.*

Dan: As was pointed out in the original HAME meeting, we are catching up on the tail end write offs of 2022, the last quarter of 2022. We're showing some rent write-offs for HDC properties of \$7643 and some minor legal expenses. As you know our procedures are usually to write things off after 90 days so we're really playing catch up here, and as you also know we still attempt to collect this, the rent write offs. So, we're recommending a motion to approve the debt write-off amount of \$8513.39.

Motion

Board member Koga made the motion to approve **AUTHORIZE ADDITIONAL WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU FOURTH QUARTER 2022**. Board member Davis seconded. The motion passed unanimously with Board Members Koga, Davis, Pazzi, Hawkins, Clark and DePaulis voting in favor. There were no objections or abstentions.

- C) CONSIDER AND ACCEPT MONTHLY FINANCIAL STATEMENTS**
thru May 2023. (attachments) – *President, Daniel Nackerman and Director of Finance, Joe Regan / 5 minutes*

Dan: Our financials through May show a fairly balanced budget. We've been a little high in ordinary maintenance, contract costs for maintenance and some other general expenses but we still anticipate a \$43,740, oh I'm sorry, that's right. \$43,740 surplus at the end of the year. Which is shown on page twelve.

Motion

No motion need, just review and accept the report.

Reports

A) Key Performance Indicator Report, Property Mgmt.: Deputy Director

Zac: Commissioners, this is the report for the Housing Development Corporation has, as you can see here, the average occupancy is just under 93%. We did have one eviction for non-payment, average days vacant was eighteen with nothing excluded. Our total reoccurring charges were \$102,747 with a 60% occupancy rate and the combined amount owed for our H receivables for HDC is thirteen thousand and five dollars.

Dan: I'd like to mention a budget item on one property. We have a construction site right next door; it's a market rate development and it's impacted our site at Ben Albert tremendously. The project is way behind schedule, it's caused ingress and egress problems. It's caused some of our tenants' water bills to go up because the contractors used our water. We tried to coordinate including using legal, friendly legal avenues, but I just thought I'd mention it. It could have budget impacts and it could evolve into a larger dispute.

DePaulis adjourned the HDC Meeting adjourned at 1:07 p.m.

Palmer DePaulis, Chair

Daniel Nackerman, President, HAME

Housing Development Corporation
Staff Report

Housing Development
Corporation



Report Provided by: Deputy Executive Director, Kim Wilford and
Finance Director, Joe Regan
Department: Finance

**Item: Account Reconciliation (Write-Offs)
Through April 2023**

August 28, 2023

BACKGROUND:

The Housing Development Corporation (HDC) conducted a reconciliation of our uncollected receivables or 'bad debt' for all past due accounts *through April of 2023*. HDC usually incurs this debt when a tenant or participant leaves one of the many HDC programs owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, legal costs, or unreported income. There are also instances where a property owner is overpaid rental assistance payments and has not repaid the amount.

ANALYSIS:

This bad debt write-off includes debts owed to HDC for the period January 2023 through April 2023. Staff will request approval of write-offs in February, May, August, and November each year. An "Allowance for Bad Debt" is estimated annually and budgeted accordingly. However, staff are anticipating an increase this year and are planning a budget revision by November. The charges related to the write off are categorized below:

	Total
Rent	\$3,884.33
Maintenance	\$290.00
Legal	\$964.67
Other	\$494.76
Methamphetamine	\$2,500.00
Total	\$8,133.76

FINANCIAL IMPLICATIONS:

Staff are recommending a write-off amount of \$8,133.76, which includes \$2,500 in Methamphetamine decontamination related debt write-offs in this report. HDC procedure is to write off vacated balances over 90 days.

Note that we continue to take action to collect these losses regardless of the write-offs.

RECOMMENDATION:

A motion to approve the bad debt write-off amount of \$8,133.76 under the provision that collection attempts will continue internally and through NAR, our external debt recovery agency.



BAD DEBT RECONCILIATION REPORT JANUARY 2023 to APRIL 2023

Program / Property Number	Rent	Maint	Legal	Meth	Other	Stop Payment	S8 Payback	URP Overpayment	allfraud	Total FY22 Q4
NON-PROFIT										
Project HAME 250-256	756.96	-	-	5,225.00	134.41	-	-	-	-	6,116.37
Project HAME 250-257	6,889.00	-	-	-	-	-	-	-	-	6,889.00
Project HAME 250-330 330 North	-	-	-	-	-	-	-	-	-	-
Project HAME 250-420 Pacific Ave/Heights	-	-	-	-	-	-	-	-	-	-
Project HAME 250-771 South	280.00	-	-	-	-	-	-	-	-	280.00
Project 276-9th East Lofts	-	-	-	-	-	-	-	-	-	-
Project 450-rad RendontTerrace	-	-	-	-	-	-	-	-	-	-
Project 600-601 -Riverside	3,884.33	290.00	964.67	2,500.00	465.00	-	-	-	-	8,104.00
Project 608 -Ben Albert	-	-	-	-	29.76	-	-	-	-	29.76
Project 609 -Cantebury	-	-	-	-	-	-	-	-	-	-
Non-Profit Total	11,810.29	290.00	964.67	7,725.00	629.17	-	-	-	-	21,419.13
PUBLIC HOUSING										
402- City Plaza	-	-	-	-	-	-	-	-	-	-
406-Phillips Plaza	-	-	-	-	-	-	-	-	-	-
415-Romney Plaza	1,866.71	7,396.06	480.00	2,208.00	20.00	-	-	-	-	11,970.77
Public Housing Total	1,866.71	7,396.06	480.00	2,208.00	20.00	-	-	-	-	11,970.77
HOMELESS / VETERAN PROGRAM										
251 Cedar Crest	5,196.67	-	-	2,949.99	-	-	-	-	-	8,146.66
260 Sunrise Meiro	1,409.73	1,161.20	-	21,269.70	-	-	-	-	-	23,840.63
268 Pamela's Place	2,306.00	205.00	-	17,052.00	-	-	-	-	-	19,563.00
556-553 Valor Apts	-	-	-	-	-	-	-	-	-	-
557 Freedom Landing	4,269.42	800.00	1,665.00	18,295.00	-	-	-	-	-	25,029.42
Homeless / Veteran Total	13,181.82	2,166.20	1,665.00	59,566.69	-	-	-	-	-	76,579.71
SECTION 8										
Grants	-	-	-	-	-	-	-	-	-	-
830 MOD Rehab	-	-	-	-	-	-	-	-	-	-
860 Section 8	-	-	-	-	-	-	-	-	963.00	963.00
S8 Total	-	-	-	-	-	-	-	-	963.00	963.00
Grand Totals	26,858.82	9,852.26	3,109.67	69,499.69	649.17	-	-	-	963.00	110,932.61

RENT	26,858.82	HAME	11,641.69	HASLC	11,332.80	HDC	3,884.33
MAINTENANCE	9,852.26	LEGAL	1,366.20	OTHER	8,196.06		290.00
SECTION 8	3,109.67		-		2,145.00		964.67
OTHER	963.00		-		963.00		-
METH	649.17		134.41		20.00		494.76
total	\$110,932.61	\$56,689.00	\$46,109.85	\$8,133.76	\$110,932.61		

Cross>>

Housing Development Corporation
Staff Report

Report Provided by: Joe Regan
Department: Finance

Item: Fiscal Year 2023 Financial Statements thru July

August 28, 2023

Housing Development
Corporation



BACKGROUND AND METRICS:

This report covers **The Housing Development Corporation (HDC) property financial summary, comprised of two properties: Riverside (41 units) and Ben Albert (68 units).**

HDC is performing under budget, realizing net residual receipts (income) of **\$137,202** on year-to-date revenues for all programs/properties of \$701,398 and expenses of \$564,196.

Agency-wide, maintenance payroll is over budget and is expected to level out with anticipated staff retirements. Contract costs are higher due to emergency plumbing and elevator repairs at Ben Albert. Ordinary and Extraordinary Maintenance Materials are over budget. These include expenditures on unit appliances, replacement of washer/dryer, flooring, plumbing, doors and fencing. A budget revision has been prepared and if approved the budget numbers will be updated next month.

ANALYSIS:

A summary of operating revenues and expenses for the period of January through the end of July FY23 financials are detailed in the subsequent pages. **As a nonprofit, our overall income and expenses remain relatively on track with budgetary estimates.**

Note also that variances greater than 15% and \$20,000 are shown for the cause.

The financial reports attached show operating costs excluding depreciation, amortization, and capital expenses.

RECOMMENDATION:

Review and accept report.

HDC (fs.600)
 Riverside Apartments (41 Units) and Ben Albert (68 units)

Budget Comparison

Period = Jan 2023-Jul 2023

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3399-9999 OPERATING INCOME	648,931.51	651,930.44	-2,998.93	-0.46	1,117,595.00
3699-9999 OPERATING INCOME OTHER	52,467.08	42,310.87	10,156.21	24.00	72,533.00
3999-9999 TOTAL INCOME	701,398.59	694,241.31	7,157.28	1.03	1,190,128.00
4000-0000 EXPENSE					
4112-9999 ADMIN PAYROLL	159,942.82	141,391.25	-18,551.57	-13.12	242,385.00
4299-9999 ADMINISTRATIVE EXPENSE	66,073.16	59,538.50	-6,534.66	-10.98	102,066.00
4339-9999 UTILITIES	73,797.90	91,894.18	18,096.28	19.69	157,533.00
4419-9998 MAINT/OPER PAYROLL	55,365.26	48,552.00	-6,813.26	-14.03	83,232.00
4429-9998 MATERIALS-ORD MAINT	48,232.29	27,875.19	-20,357.10	-73.03	47,786.00 1)
4440-9999 CONTRACT COSTS-ORD MAINT	131,449.72	91,229.95	-40,219.77	-44.09	156,394.00 2)
4579-9999 OTHER GENERAL EXPENSE	27,504.29	31,563.63	4,059.34	12.86	54,109.00
4599-9998 OTHER GENERAL, PROP TAX	1,636.63	3,354.19	1,717.56	51.21	5,750.00
4610-9999 EXORD EXPENSES	58,719.17	29,166.69	-29,552.48	-101.32	50,000.00 3)
4629-9999 CASUALTY LOSSES	-58,524.41	0.00	58,524.41	N/A	0.00
7999-9999 TOTAL EXPENSES	564,196.83	524,565.58	-39,631.25	-7.56	899,255.00
8999-9999 NET PROFIT/LOSS	137,201.76	169,675.73	-32,473.97	-19.14	290,873.00

1) Both Extraordinary and Ordinary Maintenance Materials are over budget. The properties experienced higher than anticipated expenses purchasing appliances, flooring, cabinets and doors. HVAC replacements and repairs higher than anticipated.

2) Over due to major plumbing expenses at Ben Albert. Elevator expenses higher than anticipated for Ben Albert.

Housing Development Corporation
Staff Report

Report Provided by: Zac Pau'u
Department: Property Management

Item: Key Performance Indicators (KPIs)
July 2023

August 28, 2023

Housing Development
Corporation



BACKGROUND:

The Property Management Department has developed Key Performance Indicators (KPIs) and associated metrics to monitor performance around essential activities. The below tables detail KPIs and metrics in focus for the 109 units Housing Development Corporation (HDC) owned properties. They also provide other informational data points to help identify deficiencies and make appropriate corrections. Similar reports have been provided to break out units owned and managed under the Housing Authority of Salt Lake City (HASLC) and Housing Assistance Management Enterprise (HAME). Units impacted by extraordinary circumstances such as methamphetamine remediation, flood, or fire that were previously excluded are identified as such in this report. Units impacted by outlying circumstances such as excessive extermination, excessive damage, or death are identified in this report as outliers.

ANALYSIS: KPI: Average Occupancy for July 2023

Metric: >95% for stabilized properties

Average Occupancy	July
HDC	94.06

Move-ins	July
HDC	2

Move-outs	July
HDC	6

Evictions	July
HDC	0

Work Orders Completed	July
HDC	44

Unit Turns Completed	July
HDC	2

KPI: Average Number of Days Vacant for July 2023

Metric: Average 20 days or less

The days vacant are calculated at move-in, calculating the average number of days from move-out to move-in. There was one outlying unit that was due to a complete remodel of the unit and replacement of the HVAC system.

	July	<u>Previously excluded/Outliers</u>
HDC	38	184

KPI: Tenant Aged Receivables (TARs)

Metric: 4% of Potential Rent or less.

For the month of July, the total reoccurring charges for HDC-owned properties amounted to \$107,096 with a 5% delinquency rate. We also have "payback agreements" for \$1,335. At the end of July, the combined amount owed for HDC properties was \$5,405.

FINANCIAL IMPACT:**AGED RECEIVABLES OWED**

Although "payback agreements" reduce current rental collections, they are preventing evictions and subsequent expenses. We continue our dedicated efforts to assist financially impacted residents of COVID-19 in maintaining their housing. By aggressively pursuing emergency financial relief, we have successfully decreased the total owed amount to HDC by \$118,829. As the Emergency Rental Assistance Program has concluded, we actively seek board-approved repayment agreements and provide tenants with information on available supplementary resources.

ACTION RECOMMENDED:

This report is for information, as an update – no action is needed.

E N D O F P A C K A G E