



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, March 25, 2024

11:00 am – 2:00 pm

WEB OPTIONS:

<https://housingauthorityofsaltlakecity.webex.com/housingauthorityofsaltlakecity/j.php?MTID=m36010b35044d20cc77ed68406d25add6>

OR

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

Meeting number: 2662 379 0435

Password: 1776

PHONE OPTION:

Dial 1-650-479-3208 Access Code: 2662 379 0435 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

Mike Pazzi, Chair

***Bill Davis, Vice Chair
Phil Bernal, Board Member
Amy J. Hawkins, Board Member***

***Tess Clark, Resident Board Member
Brenda Koga, Board Member
Vacant, 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 January 29, 2024 (attachment)- Board Chair/ *3 minutes* *Page 1*
4. New Business
 - A) **AUTHORIZE ADDITIONAL WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU OCTOBER 2023**. (attachments) Deputy Executive Director, Kim Wilford; Finance Director, Joe Regan/ *20 minutes.* *Page 7*
 - B) **CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH JANUARY 2024**. (attachments) Finance Director, Joe Regan / *15 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 January 29, 2024

March 25, 2024

Housing Development
Corporation



BACKGROUND:

Review and revise/approve meeting minutes from Open Meeting of January 29, 2024.
(Attached)

RECOMMENDATION:

Approve the meeting minutes of January 29, 2024.

DRAFT

HOUSING DEVELOPMENT CORPORATION OF SALT LAKE CITY

Housing Authority of Salt Lake City
Salt Lake City, UT

Monday, January 29, 2024
12:17 p.m. – 12:23 p.m.

The annual meeting of the Board Members of the Housing Development Corporation of Salt Lake City was held on January 29, 2024, from 12:17 p.m. – 12:23 p.m.

Board Members in Attendance

Michael Pazzi, Chair
Bill Davis, Vice Chair
Palmer DePaulis, Board Member
Brenda Koga, Board Member
Tess Clark, Resident Board Member
Cindy Gust-Jenson, Board Member (via WebEx)
Phil Bernal, Board Member (via WebEx)
Dave Mansell, Board Member

Board Members Excused

Amy Hawkins, Board Member

Staff in Attendance

Daniel Nackerman, President, HAME
Kim Wilford, Deputy Executive Director
Britnee Dabb, Deputy Director
Paul Edwards, Agency Attorney
Joe Regan, Finance Director
Jonathan Olson, Vice President, Development
Zac Pau'u, Deputy Director
Jackie Rojas, Section 8 Director
Kelly Walsh, Senior Housing Analyst (via WebEx)
Angel Myers, Administrative Executive

Legal Counsel in Attendance

Clay Hartman, Gilmore & Bell

Chair Pazzi 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 NOVEMBER 27, 2023

Motion

Vice Chair Davis made a motion to approve the **HDC Meeting Minutes of November 27, 2023**. Board member Clark seconded. The motion passed unanimously with Board Members DePaulis, Pazzi, Koga, Clark, Davis, Bernal, and Mansell all voting in favor. There were no objections or abstentions.

New Business

1) CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH DECEMBER 2023. (attachments) Finance Director, Joe Reagan / *15 minutes*

Dan: This is on page five in your package, in your relatively light package. A reminder that HDC owns two properties, Riverside of 41 units and Ben Albert of 68. At the unaudited end of last year, we're \$1.275 million in receipts and \$1.085 in expenses. So, the property is performing better than budgeted.

Kim: I have a correction. It's actually a little lower than budgeted.

Dan: Lower than budgeted. Oh, okay. So, there's a net residual increase of \$189,000. Well, a lot of that has to do with Ben Albert. We've been making all kinds of repairs on Ben Albert.

Palmer: The elevator.

Dan: Yes. And boiler and other repairs. Although, a lot of them are purposeful upgrades as well.

Brenda: How old is that property?

Palmer: It's old.

Dave: Well, if it has a boiler, it does bring up the question-,

Palmer: Yes.

Dan: We like old.

Dave: Yes. I like it old too, but it's-,

Dan: We like old and new buildings.

Dave: Is there some point where you could identify it as something which you intend to liquidate?

Dan: Well, that's up to the board, but so far, our philosophy has been affordable housing is so rare that, you know, we have been making concerted efforts to not dispose of any housing.

Dave: You couldn't replace it, is what you're saying.

Da: We even regret now some of the housing that's been sold over the years, because a) it's either more valuable than ever or, b) the new owners have taken those and made them much less affordable. A perfect example would be Pauline Downs, or not Pauline Downs-,

Britnee: Hawthorn.

Dan: Yes, Hawthorn. But that is up to the board.

Palmer: Well, one thing, Dave, I think you raised a good question, one thing, since Ben Albert is one of the oldest. Riverside, not so much, but we might want to ask for, like, a review of where we are with what has been repaired. You know, what's in good shape. You know, do we have any potential issues coming up? We've addressed a lot of them already.

Dave: Yes. I think Dan's probably right about the issues. It's hard to find sites, it's hard to find places to replace them with, particularly where Ben Albert is. When we sold Pauline Downs, I took a deep breath of relief on that. It was a rat hole and then we couldn't fix the problems, but anyway. There's a time to say no, but I think, for the most part, as long as it's penciling out alright-

Palmer: There you go.

Dave: You just keep it. But at some point, do they get old enough that you say, 'I can't do that'? But you need to have options, and maybe there are no options, or very few.

Dan: Yes. One trend that happens in other cities and will start to happen here is people will start tearing down older properties and building at a much higher density.

Dave: Well, it's happening here.

Dan: The land is worth more than even the existing structures, sometimes.

Dave: Yes. It's happening here right now. Okay.

Motion

No motion needed.

Reports

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

Zac: Commissioners, this report reflects the 109 units at Ben Albert and Riverside, with an average occupancy of 94.7. Over the course of December, we had no move-ins. However, we had no move outs either. (audio distorts) with our average days making it

zero, since we didn't have anyone move in over the course of that month. For the month of December, we have total reoccurring charges of \$110,000 with a 2% delinquency rate.

Dave: That's the best report I've seen in this year.

Mike: It can only go down from here. Okay. Anything further for the housing development corporation? We're adjourned on that.

Pazzi adjourned the HDC Meeting adjourned at 12:23 p.m.


Michael Pazzi, Chair

Daniel Nackerman, President, HAME

DRAFT

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 October 2023**

March 25, 2024

BACKGROUND:

The Housing Development Corporation (HDC) conducted a reconciliation of our uncollected receivables or 'bad debt' for all past due accounts *through October 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 through October 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 October. The charges related to the write off are categorized below:

	Total
Rent	\$ -
Maintenance	\$418.07
Legal	\$ -
Other	\$789.33
Methamphetamine	<u>\$10,300.00</u>
Total	\$11,507.40

FINANCIAL IMPLICATIONS:

Staff are recommending a write-off amount of \$11,507.40, which includes \$10,300.00 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 \$11,507.40 under the provision that collection attempts will continue internally and through NAR, our external debt recovery agency.

Housing Development Corporation
Staff Report

Report Provided by: Joe Regan
Department: Finance



Item: Fiscal Year 2024 Financial Statements thru January

March 25, 2024

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 properties are \$1,385 under budget, realizing net residual receipts (income) of \$28,800 on year-to-date revenues for all programs/properties of \$118,372 and expenses of \$93,020.

ANALYSIS:

A summary of operating revenues and expenses for the period of January through the end of January FY24 financials are detailed in the subsequent pages. **As a nonprofit, our overall income and expenses remain relatively on track with budgetary estimates.**

The attached financial statements show the comparison to the 2024 budget approved by the Board in September 2023. Variances greater than 15% and \$20,000 are highlighted in green or yellow and are noted for cause.

Operating costs exclude depreciation, amortization, and capital expenses.

RECOMMENDATION:

Review and accept report.

Housing Development Corporation
Staff Report

Housing Development
Corporation



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

Item: Key Performance Indicators (KPIs)
February 2024

March 25, 2024

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 February

Metric: >95% for stabilized properties

Average Occupancy	February
HDC	93.4

Move-ins	February
HDC	0

Move-outs	February
HDC	0

Evictions	February
HDC	0

Work Orders Completed	February
HDC	36

Unit Turns Completed	February
HDC	1

KPI: Average Number of Days Vacant for February 2024

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. However, in February, with no move-ins for the HDC portfolio, the average days vacant doesn't apply.

	February
HDC	0

KPI: Tenant Aged Receivables (TARs)

Metric: 4% of Potential Rent or less.

In the previous month, HDC had a rolling accounts receivable (AR) balance of \$1,298. We collected \$87 resulting in a 7% collection rate. HDC currently has two repayment agreements in effect, which is in full compliance through the last month.

For the month of February, the total reoccurring charges for HDC-owned properties amounted to \$102,307 with a 4% delinquency rate. At the end of February, the combined amount owed for HDC properties was \$3,911.

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. In our continued dedication to assisting financially impacted residents amid the COVID-19 pandemic, forthcoming ERA awards from both Salt Lake City and Salt Lake County will significantly contribute to reducing overall aged receivables.

Action Recommended:

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

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