



COMMISSION MEETING AGENDA

**Meeting Location: 1776 S West Temple
Salt Lake City, Utah**

or Electronic Video or Phone Conference

REGULAR MEETING: Monday, May 20, 2024

11:00 am – 2:00 pm

WEB OPTIONS:

<https://housingauthorityofsaltlakecity.webex.com/housingauthorityofsaltlakecity/j.php?MTID=me87685b22710605764c02db66f8abab2>

OR

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

Meeting number: 2669 782 8928

Password: 1776

PHONE OPTION:

Dial 1-650-479-3208 Access Code: 2669 782 8928 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 of Commission Members

Mike A. Pazzi, Commission Chair

Bill Davis, Commission Vice Chair

Brenda Koga, Commissioner

Palmer DePaulis, Commissioner

Fraser Nelson, Commissioner

Tess Clark, Resident Commissioner

Vacant, Commissioner

One or more Commissioners of HASLC may participate via electronic conference originated by the Executive Director and within the meanings accorded by Utah law, the Meeting may be an Electronic Meeting, and the Anchor Location shall be located at 1776 S. West Temple, Salt Lake City, Utah. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify HASLC not less than 24 hours prior to the meeting. If language assistance is needed, please call 801.428.0600.

**The Housing Authority of Salt Lake City is committed to our mission:
To provide affordable housing opportunities as a stable base for our community**

BOARD MEETING AGENDA

1. Roll Call

2. Public Comment (each participant will be allowed 3 minutes for comment)

3. Motion to Approve HASLC Meeting Minutes of the regular meeting of April 29, 2024 (attached) — Board Chair / 3 minutes *Page 1*

4. **RESOLUTION # 842-2024 AWARDED ADDITIONAL PROJECT-BASED VOUCHERS (PBV's) FOR THE FAIRMONT HEIGHTS PROJECT.** (attachments) *Executive Director, Daniel Nackerman / 15 minutes* *Page 19*

5. **RESOLUTION # 843-2024 APPROVING THE AMENDED FISCAL YEAR 2024 ANNUAL PHA PLAN.** (attachments) *Deputy Executive Director Kim Wilford and Senior Housing Analyst, Kelly Walsh / 10 minutes* *Page 22*

6. **CONSIDER AND ACCEPT 2023 AUDITED FINANCIALS STATEMENTS.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 20 minutes* *Page 24*

7. **AUTHORIZE ADDITIONAL WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU JANUARY 2024.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.* *Page 27*

8. **CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH MARCH 2024.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.* *Page 29*

Reports

- A) **Executive Director Update: Executive Director, Daniel Nackerman** *Page 37*

- B) **Audit Committee Report: Commissioner, Brenda Koga** *Page 38*

- C) **Voucher Utilization Report: Section 8 Director, Jackie Rojas** *Page 39*

- D) **Report on Community Partners: Deputy Director, Britnee Dabb** *Page 42*

- E) **Low Income Housing Tax Credit Compliance, Director of Property Management, Vicci Jenkins** *Page 45*

F) Key Performance Indicator Report: Deputy Director, Zac Pau'u

Page 47

G) Upcoming Trainings and Conferences

Page 49

H) Commission Schedule 2024

Page 50

Closed Sessions

At any time, the Commission may 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.

Typical Process: Motion to enter.
Vote to enter.
If entering, certain individuals may be rightly excluded.
After closed discussions motion and vote to end and resume open meeting
Any announcements from closed session

- 1. Communications:
- 2. Other Business:
- 3. Adjournment

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Board Chair
Department: Commission



Item: Meeting Minutes of April 29, 2024

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

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

RECOMMENDATION:

Approve the meeting minutes of April 29, 2024.

DRAFT

HOUSING AUTHORITY OF SALT LAKE CITY

(HASLC)

BOARD MEETING MINUTES

Housing Authority of Salt Lake City

Monday, April 29, 2024

11:10 a.m. – 1:38 p.m.

The Annual Meeting of the Board of Commissioners of the Housing Authority of Salt Lake City was held on Monday, April 29, 2024, from 11:10 a.m. – 1:38 p.m.

Board Members in Attendance

Bill Davis, Vice Chair

Palmer DePaulis, Board Member

Brenda Koga, Board Member (via Webex; left at 11:30am)

Tess Clark, Resident Board Member

Board Members Excused

Amy Hawkins, Board Member

Michael Pazzi, Chair

Staff in Attendance

Daniel Nackerman, President, HAME

Kim Wilford, Deputy Executive Director

Britnee Dabb, Deputy Director (via WebEx)

Paul Edwards, Agency Attorney

Jonathan Olson, Vice President, Development

Zac Pau'u, Deputy Director

Jackie Rojas, Section 8 Director

Vicci Jenkins, Deputy Director of Property Management

Kelly Walsh, Senior Housing Analyst (via WebEx)

Angel Myers, Administrative Executive

Legal Counsel in Attendance

Clay Hartman, Gilmore & Bell

Vice Chair Davis 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 THE REGULAR MEETING OF MARCH 25, 2024.

The Executive Director has provided each Commissioner with a copy of the written minutes of the March 25, 2024. The Commissioners acknowledged they had sufficient time to review these minutes.

Vice Chair Davis called for a motion.

Motion

Commissioner Clark made a motion to **APPROVE THE HASLC MEETING MINUTES of MARCH 25, 2024.** Commissioner DePaulis seconded. The motion passed unanimously with Board Members DePaulis, Koga, Clark, and Davis all voting in favor. There were no objections or abstentions.

NEW BUSINESS

A) INSTALLATION AND OATH OF NEW COMMISSIONER FRASER NELSON.

(attachments) Board Chair, Michael Pazzi and Executive Director, Daniel Nackerman / 6 minutes

Dan: A new commissioner was recently appointed by the mayor, that is Miss Frasier Nelson. I took the liberty of calling her a very experienced community leader and business women.

Fraser: Oh, that's kind.

Dan: The Utah code requires an oath of office for housing authority commissioners, and as such, our chair today is recommending recite the oath. Note also that each commissioner is technically required to review the state auditor's website. We can talk about that later. And also the new commissioner automatically becomes a board member of the Housing Assistance Management Enterprise Organization and Housing Development Corporation respectively as described in the organization's bylaws.

Bill: Assume we stand, I know we don't do a bible, but do we have a (audio distorts 16.38)?

Fraser: I can put my hand on all these papers, (audio distorts 16.43).

Bill: So, repeat after me.

Fraser: In my role as commissioner of the Housing Authority of Salt Lake City, I do solemnly something the Constitution of the United States-, support, obey, and defend the Constitution of the United States, and the Constitution of the State of Utah, and that I will discharge the duties of my office with fidelity.

Bill: Thank you.

Fraser: Thank you

Bill: In a break with tradition, I thought that I would officially welcome Fraser since I can take the liberty since I'm chair. Can I put you in charge of-,

Dan: Sure, sure.

Bill: I would like to give everybody a glass, and I'd like to do a toast or two.

Tess: Very fancy.

Dan: If the budget is good this year, we'll have glass ones next year.

his

Fraser: How many commissioners are there in total?

Palmer: It's about 7 on the Housing Authority, and 9, HDC and HAME.

Bill: I would like to make a toast to Fraser Nelson for joining this lustrous organization, I think its nice for people to donate their time, so to Fraser. I would also like to make a toast to the staff of the Housing Authority of Salt Lake City, this is one of the best organizations in terms of preparations and a lot of other things. The last 2 comments is let's build some housing, and a lot of it, that's what we're here for. It's an unprecedented housing crisis and affordability crisis, and so we're here to help with that, and lastly, let's have some fun doing it.

Phil: There we go.

Plamer: All right.

Tess: I agree.

Bill: We're going to switch back to the HAME meeting.

Motion

No Motion needed.

B) RESOLUTION # 839-2024 ADOPT REVISIONS TO THE ADMINISTRATIVE PLAN. (attachments) *Senior Housing Analyst, Kelly Walsh / 10 minutes*

Dan: A reminder that our Administrative Plan guide most of our voucher programs or our Section 8 programs and our admission to continue occupancy policy guides, our public housing and some of our wait list practices. Both of these items, congress passed Opportunities Through Modernization Act, or HOTMA, many years ago, and they're just now implementing it. Ironically, it was enacted to streamline processes for housing authorities, yet it's taken 6 or 7 years to start to implement. The 2 items before you are relatively minor, but one is reducing paperwork, updating a release of information form that really is an important tool for how we work with individual's. The other is more flexibility related to third-party documents, extending the days that those documents can age from 120 to 60, and also a statement regarding benefits instead of an actual document sometimes. Finally, this one is a big deal, we can verify social security numbers if a person self-certifies their social security number, and then we map that. So, these lead us to the administrative plan and the admin, or ACOP, and we recommend approval. We're acting a little bit early. These have to be in by January 1st, 2025. I want to thank Kelly Walsh for doing a lot of the work on this. Can you wave, Kelly?

Kelly: Hello.

Dan: We're recommending adopting resolution 839-2024 and, in a separate action, 840-2024.

Motion

Board Member DePaulis made the motion to **APPROVE RESOLUTION # 839-2024 TO ADOPT REVISIONS TO THE ADMINISTRATIVE PLAN**, Board Member Clark seconded. The motion passed unanimously with Board Members DePaulis, Pazzi, Koga, and Clark all voting in favor. There were no objections or abstentions.

C) RESOLUTION # 840-2024 ADOPT REVISIONS TO THE ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP). (attachments) *Senior Housing Analyst, Kelly Walsh / 10 minutes*

Palmer: Is there anything more to add on the next one? Because I'll make a motion to approve that one as well.

Bill: Any other discussion.

Palmer: I don't know. Kelly, do you have anything to add to that one?

Kelly: They're the same changes, just to the public housing policies instead of the housing choice voucher policies. o, yes, no other comments, it's the same changes, it's just changing the public housing policies in the second motion, where it was the housing choice voucher policies in the first motion.

Plamer: Okay. So, I move for approval.

Tess: I'll second that.

Motion

Board Member DePaulis made the motion to **APPROVE RESOLUTION # 840-2024 TO ADOPT REVISIONS TO THE ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP).** Board Member Clark seconded. The motion passed unanimously with Board Members DePaulis, Pazzi, Koga, and Clark all voting in favor. There were no objections or abstentions.

D) CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH FEBRUARY 2024.
(attachments) *Finance Director, Joe Reagan / 20 minutes*

Joe: Anyways, as the other 2 entities, they're doing well this early in the year. We have a couple of higher costs due to seasonal things like snow removal and paying for business licenses at the beginning of the year, instead of an end of the year. The agency-, this is something we haven't done in a while. This is a combined Housing Authority statement proposed to the (mw 01.21.48), which involves HAME and HTC. It's showing a surplus at this stage of the game. Owned is \$196,000 through February, the vouchers make \$75,000 through February. Public housing is losing money as it always does. Homeless is generating a surplus, the management fund is only

losing \$1,600. Section 8 has a shortfall of funding, but that's process but we'll get the money soon. And that's about it, not much to talk about. Questions?

Motion

No Motion needed.

E) BOARD BUILDING. *Senior Housing Analyst, Kelly Walsh / 10 minutes*

Dan: Yes, just as a preface. We used to do this, many years ago, we put an item just to take tidbits with what we do, to go into depth a little bit, not intending to take much time, but over the course of time, we found that this helps with board building, in other words some of the pieces of what we do start to make sense on a bigger scale. So, Kelly will be presenting every meeting.

Kelly: So, I'll go ahead and share my screen. One second. Alright.

Dan: So, the tidbit, as I mentioned, today would be that we partner with private landlords in voucher programs or Section 8 programs. Again, that's one small piece of everything we do, but the timing is right for this.

Kelly: Yes. So, like Dan said, we actually put together a presentation on something that is a timely topic and something that we're working with a lot right now. And I'll go into some detail on what we're doing is to enhance and find ways to increase our relationships with landlords, because they are such a vital part of the Housing Choice Voucher Program. And one thing I want to say before I start is I'm presenting this information, but the information and the work done showing these slides is really a cross-functional effort. It's the section 8 team inspections under Jackie and Kim. It's the front desk answering questions, or the technology team helping with technology enhancements under Britnee, and it's also the great work that the team has done under Zac, building relationships with landlords over the past many years, how many now? 6? 7? About. A long time. So, getting started, I thought I would just go over, when we talk to landlords, and they have questions for us about why they would become a landlord with the housing authority. I thought I would go over some of those main points with the group. So, first and foremost, why you become a landlord in the Housing Choice Voucher Program is to provide affordable, safe housing to low-income individuals and families. But in addition, there are other benefits. So, one is lower vacancy rates because we can help you fill those units, consistent rent payments from the Housing Authority, and free property inspections that are part of our regulations and requirements under HUD. We have the added bonus of being a Moving to Work Agency. As a reminder, there are only 139 agencies out of about 3,000 across the country that

have this special designation from HUD. That lets us really try new things locally and waive certain regulations to increase our goal that we have on a local basis. And even more important, we're part of the Landlords Incentives Cohort, which means that we're specifically being studied by HUD on whether or not certain landlord incentives increase participation, both of new landlords and retain existing landlords. And we've done a lot in that area, and I have a whole slide to talk through that, but overall, we're looking in that program to streamline processes and mitigate risks and encourage new landlords to participate. So, kind of, by the numbers, what does our impact look like in the Housing Choice Voucher Program with our landlords? Well, we administer approximately 3,000 vouchers in Salt Lake County, which equates to about \$31 million paid to more than 1,000 landlords in 2023, which really shows our impact on the local community. In terms of where those units are that are owned by landlords, sometimes landlords think we're concentrated just in Salt Lake City, but we're across the entire county. I worked with Don on Britnee's team with this map, and it's really a heat map to show where our Housing Choice vouchers are located. You can see, yes, there are many in Salt Lake City, but they go as far north as the edge of the city to down to Bluffdale, over to Sandy and across as far west as Coppertone and Magna. So, the next question we get from landlords, 'Okay, so I understand why I want to do it, how do I do it?' So, this next slide walks through the different steps a landlord would follow to become a landlord with the Housing Authority. The first one is they have to find a housing choice voucher potential tenant to apply to their property. They can do this using their own methods, if it's a sign in their yard, if it's online, but we really recommend that they take a more targeted approach if they want to work with the housing authority. Number 1 is notify us when a unit is available, because while it's ultimately the tenant's choice of where they live, we could help make those connections if there could be a good fit. We also recommend marketing their property for free on Affordablehousing.com, which is a nationwide website where a lot of Section 8 voucher holders go to find potential housing. So, someone comes in, they apply, the landlord then is going to go through their own screening process to either approve or deny the tenant. If they are approved, then either the tenant or the landlord is going to reach out to us, reach out to the caseworker on Jackie's team, to be issued what's called a move packet. And a move packet has all the documentation needed from both the tenant and the landlord in order to process that move to move them in and start receiving payments from the housing authority. On the landlord side, it's going to be things like a direct deposit agreement, a W2, a certification that they are truly the owner of that unit. And in addition, we'll ask for some information about the unit, proposed rent, bedroom size, who pays utilities, things of that nature. Once that gets turned in, and it's all complete, Jackie's team will run what's called a Rent Reasonableness on the proposed rent. So, I know a lot of the board is familiar with payment standards, we go over those at least annually based on local market conditions and guidance from HUD. That's the maximum that can be charged, but that doesn't mean that every landlord can charge that maximum. It has to pass this Rent Reasonableness test, too, which will really compare that unit to similar like units in the area to make sure that it's a reasonable rent that's being asked, based on bedroom size, amenities, utilities, things of that nature. If it's not Rent Reasonable, the only option we have is to go back and talk to the landlord, negotiate down to what would be a reasonable rent. If they say no, it's not going to work out, but assuming they do say yes and we can move forward, we'll then

do an inspection of the property to make sure that it meets our requirements. They'll sign the lease, submit the lease to Jackie's team, and we'll execute what's called a HAP contract, or Housing Assistance Payment contract, which really outlines the roles and responsibilities between the housing authority and the landlord. So, you go through these steps, the next question the landlord is going to ask is, 'Okay, so, I've done all these. When will I start receiving my first payment from the housing authority?' Now, that same HAP contract we talked about gives us 60 days to send an initial rent payment, but the vast majority of times, it doesn't take that long. It usually takes place within 15 days of the lease signing. We also recommend that everyone sign up for Direct Deposit. It's the safest, quickest, most efficient way for us to pay. However, if landlords don't want that for whatever reason, and Jackie, I know it's a handful, they can request a paper check as well, but that will add to the time that it will take for them to receive that initial payment. They also will ask, 'So, will my unit be inspected by the housing authority on an ongoing basis?' And the answer is yes. Based on regulations, we will be conducting regular inspections of the property. It will be done annually until it passes 2 annual inspections in a row, each on the first attempt, and at that point, it'll be placed on an every-3-year inspection schedule from the housing authority. If it, for whatever reason, fails again, it's going to be put back on that annual timeline, until it, again, passes 2 consecutive inspections. And one thing I do want to point out here is if a tenant raises their hand and says, 'There's a problem, I'd like the housing authority to come out and do a special interim inspection,' we are able to do that, and that is part of the policies in our administrative plan. Another FAQ is rent increases, 'Can I raise the rent?' The answer is yes, you can, after the initial 12-month lease period, provided that it's done in accordance with the HAP contract and the lease terms, and it meets the Rent Reasonableness guidelines. One of those, kind of regulations around this is they have to provide at least 60 days' notice of the rent increase. So, that covers the basics of the process to become a landlord, the questions we hear a lot from landlords. Now, I'm going to spend just a couple of minutes, just a few minutes, talking about that landlord incentive program I talked about earlier. And so, this is something that is launched as part of that Moving to Work program that I mentioned, but we see it really broadly and holistically, and I'll explain what that means as we go through each of these items. Now, the first 3 items on this list, damage claim, new or returning landlord incentive, and referral bonus, Dan said this presentation is timely because those literally just launched last week, last Wednesday. Britnee and some people from Zac and Jackie's team were there, at the Utah Rental Housing Association there, and so I'll go over these in a little bit of detail. Damage claims. Damage claims are just really to answer a concern we hear from landlords, or a fear they have of renting to Section 8 tenants, that, 'What if they damage my unit?' And while it's not true, necessarily, that Section 8 tenants are more likely to damage, it's a perception the community has. And so, we offer the damage claims really as a mitigation of that concern, almost as an insurance policy against that concern. And how this works is if a Section 8 HCV voucher holder damages the unit, we can approve the reimbursement of claims above wear and tear up to 2 months of contract rent, after they've shown they've applied the security deposit to those repairs, provided they then rent the unit to another housing authority voucher holder. So, it's helping to make the landlord whole, but also encouraging continued participation in the program. We ran a damage claims program through the city when I managed the team, now 2 or 3 years ago, and

one thing I will say, and we've seen this through other housing authorities in the country, is that while this is a good marketing incentive, it's not the most used. It's really more for peace of mind, and that's what we anticipate seeing with this as well. The new or returning landlord incentive, that is if you have not received a payment from us in the past 12 months, you can receive a payment of \$500 at the signing of that HAP contract, and you can get that up to 5 times in the first year, so trying to attract new people or bring people back to the program. We also don't want to forget about the existing landlords and are now offering a referral bonus, so if they refer a new landlord to the program, they can receive \$250 in a referral bonus once the HAP contract is signed, and they can receive that up to 4 times, or a total of \$1,000. We've also introduced streamlined inspections through-, waive initial inspections in certain circumstances, or a pre-qualifying inspection where they don't have to wait for that whole process to get the inspection. They can request it early, so when someone does move in, the process is a lot quicker. Those launched about a year ago and are being used right now. All of these 4, the landlord does need to request, reach out to us to request these incentives. For the streamlined inspections in particular, we're looking at ways to make it more systematic, to make things easier, both internally for our staff and for landlords. And I mentioned taking a look at our landlord relationship really holistically. So, under 'coming soon', these are 2 things we're currently working on. One is a paperless move-in process. So, we talked about the move packet, the move paperwork, that needs to either be filled out in paper or emailed back and forth using PDFs. We're now working with our software provider to implement a web-based, paperless, seamless process for both landlords and tenants, so that move-in process is even easier than it is right now. We're also talking about how important education is, and ongoing communication. So, I meet on a weekly basis with Brian from Jackie's team and Britnee to talk about landlord communication, and one thing that we are working on actively right now to launch in the coming weeks is a landlord information session that can be, really, to help orient new landlords, refresh information to existing landlords, or really just provide a place for people to ask questions to the housing authority. Again, so really increasing that communication. So, we're super-excited about all of these changes. There are going to be more and more throughout the year as we meet to talk more about this, but very exciting changes on the landlord side here at the housing authority, and that's all I have.

Bill: Is this summary going to be, like, on the thing?

Dan: Yes, we just launched the landlord incentive, or it probably already is on our website.

Kelly: Yes, it is.

Dan: Just a reminder that because we're in Moving to Work, 1 of 139 agencies, a reminder that it doesn't mean anything about work really, but we were given a cohort of landlord incentives by HUD. So, HUD realizes that let's take our case, a thousand landlords that we pay every month, if they start to get discouraged because of bureaucracy, our base to help provide housing goes down. So, anything we can do to encourage landlords to stay and to also encourage new landlords to utilize vouchers or Section 8 is great nationwide. Secondly, it's an important goal for

us, and the streamlining can just do nothing but make our programs better. We thought we'd take a piece of what we do and just give some detail today.

Fraser: Super-helpful.

Dan: The one thing I learned from this is that all of our buildings and properties that we own are in Salt Lake City proper, but the landlord incentive looks like it's the entire county. Yes, we work hand in hand with Housing Connect, our sister agency. They will probably adopt our incentives as well, so we share each other's jurisdictions to make it as seamless as possible for the residents in this immediate area of the county.

Fraser: Do people get on waiting lists at both of the entities?

Dan: Yes, automatically, they do. We share the waiting list data. The only difference is that in a few cases, we might pay landlords a slightly different amount than Housing Connect pays them. It's a little arcane but we try to match them up almost identical.

Bill: Why would it be different?

Dan: Well, each housing authority and you as the board adopt payment standards every year that are based on a variety of things, including what budget capabilities we have, and sometimes each agency might have different budget capabilities, but also, as an example, some housing is more expensive in Salt Lake City proper than it is in other parts of the county.

Fraser: Yes.

Dan: Then we do our own studies on the demand for 2-bedrooms, and 1-bedrooms, and studios. We try to have them mesh. I'd say maybe 75% of their rents mesh.

Jackie: Yes.

Dan: The other thing is if one landlord gets \$12 more a month than another one in a different housing authority, they don't usually notice or care. I'm using \$12 as an example.

Palmer: I have 1 question, Kelly, on the damage control waivers, or whatever. What do they do with meth? Because that is a very costly remediation?

Kelly: Yes, so we haven't actually paid a damage claim out yet but in terms of meth, I would think it would be the same rules, so we're going to be constrained to what HUD has approved for us to pay, which would be that 2 months of rent at the maximum of how much we can pay. There might be other programs available to them, for example, the state program, that we can

potentially refer them to, but in terms of what we can do, we'll be limited to what HUD approved.

Palmer: The 2 months?

Kelly: Right, correct.

Palmer: Okay.

Motion

No Motion Needed.

REPORTS

A) EXECUTIVE DIRECTOR UPDATE

Daniel Nackerman, Executive Director

Dan: This is on page 57 of your package. Item 1 is we're really turning up our efforts with the Veterans Administration to keep VA-assisted homeless sites, or homeless response sites, full. We have a letter that we're about to send to some high-level HUD officials. I do have some copies I can give as soon as I get a chance, but Zac and I, especially, and even our lawyer, have been working on really turning up the efforts to-, and it amounts to, sort of, usurping some of the VA services with either third party or our own staff. Second, I mentioned we're shortlisted on the Northwest Pipeline. Third, as Kelly just mentioned, we launched our Apartment Association annual at the Apartment Association annual meeting on 23rd April, our housing incentives for landlords. The Apartment Association renamed themselves to-, no one knows. Rental?

Kellu: I think it's Utah Rental Housing Association.

Dan: Okay. Just so the board knows, poor tenant accounts receivables has become an issue nationwide at public housing programs in particular, but also, to some extent, voucher programs. There was enough COVID relief during the heart of COVID that that blow was softened. Now that COVID is over, tenant accounts are falling further and further behind nationwide, and evictions are picking up dramatically nationwide. We are doing better than the rest of the country in both of those areas. I mentioned that the Paramount Heights attracted some more funding, and then, finally, we held a full staff meeting. We call them all-hands meetings. We do this 5 or 6 times a year, where we invite the entire staff, recognition, team building, information sharing,

and the last one we had was a very successful event. That concludes the executive director report.

Bill: Can I just ask a question?

Dan: Sure.

Bill: The Northwest Pipeline building, it's called The Grove. That's our name for it if we get the (talking over each other).

Dan: Yes. It was named The Grove by, sort of, our leadership team on the-, it does have some more meaning to it than you might think. First of all, the streets and the buildings that are there are often named after trees or wildflowers, and secondly, the Magnolia project, which is at once a tree and a wildflower to some extent, is already a part of the complex. So, from now on, you'll be hearing of it as The Grove instead of the connection to (talking over each other).

Bill: Then who named it? Us, or-,

Dan: No, it was our small team of the site owner, the architect, the housing authority.

Bill: I was wondering if the other competitors are part of the naming process?

Jonathan: Yes. The intent was to name each of the buildings as well, so they'll all receive a name that's with a flower or a tree that's native to Utah, so it becomes, kind of, cohesive.

B) VOUCHER UTILIZATION REPORT: SECTION 8 DIRECTOR

Jackie Rojas, Director Section 8

Jackie: Alright, thank you. This report is to update on our voucher leasing and budget utilization through the end of March. We are still working off of an estimated 2024 annual budget authority, which is estimated to be \$31,396,000. Still waiting for the official release from HUD to tell us exactly what that's going to be. The number of units we have leased as of March is 2,928, which puts us at just under 24% of the unit months available. If we were right on target, it would be 25%, so we're pretty close there. And as far as the budget authority, we expended \$2.9 million for the month of March, and that is 30% of the estimated budget. So, if we were looking at just where we would be, at a different target, we would be at 25%, so we are slightly over-leased. Well, not slightly. We're over-leased. We're expending the budget pretty quick. I'll talk a little bit more about that in just a second. We are working with the shortfall team to look at what our shortfall funding amount is going to be. So, yes, the first quarter of 2024, we've ended with a high unit utilization rate, and we are working with our shortfall team to discuss possible actions that we can take to decrease our monthly expenditure, and we do have meetings scheduled

upcoming to review with our 2-year tool. It's a spreadsheet, a tracking tool, that we go over with HUD staff, as well as internally, and then the special shortfall team, to help us see where we can save. And we do continue to lease our mainstream voucher program. Unfortunately, we are still under-leased. We have 76 vouchers utilized out of a possible 121, and we continue to work hard on leasing those out, and that's all I have for now.

Dan: Just on, kind of, the overall trend. As you know, for the last 3 or 4 years, we were often underutilized on the number of units and also underutilized a little bit on the budget. We've now flipped the scrip, and we actually are still very slightly underutilized on a number of units, but we're over the budget for what we pay private landlords. This happens a lot to agencies. HUD has a special department called the shortfall department, and they often reimburse agencies who have over-leased budget-wise. In fact, we did, towards the tail end last year, couple of hundred thousand, let's say, and that's, again, out of a gigantic budget. So, I say all that just to say we'll likely stop leasing very soon, maybe even May 1st.

Bill: At the conclusion of this meeting..

Dan: Yes, but we'll also refocus on some areas, we're even including refocusing some staff on areas like the mainstream vouchers, which is a very small pool of the 3,000-plus, and the VASH vouchers, which we don't have that much control over. But that's a long way of saying 2, 3 months into the year is the perfect time to say, 'Let's slow down so that we don't end the year too far over,' and we're working hand in glove with HUD already doing that.

C) REPORT ON COMMUNITY PARTNERS: DEPUTY DIRECTOR

Britnee Dabb, Deputy Director

Britnee: Okay, thank you. Good afternoon. Just a reminder, this report is to go over the engagement of community partnerships that the agency does agency-wide in various departments in strengthening our broader community and affordable housing and information about the Housing Authority and how we can partner together in our community. Some of the meetings happen regularly. So, I have a few I just wanted to touch on that stand out from the previous month. We've been working closely with NeighborWorks, with their first-time home buyers, and also financial sufficiency classes to be able to offer to our customers, as well as being a location for these financial sufficiency courses to happen. We're also working with them, as I mentioned, as the first-time homebuyers to offer at Northwest Pipeline if we are chosen for that, and also opportunities, as Dan mentioned, with some of the property in the city that the city owns. We have strengthened our relationship with the Downtown Alliance, working to provide space for community events, and also helping activate some areas in some neighborhoods. So, we're looking forward to that. Our staff also participated in the Utah Community Action resource fair, we had a booth and were able to help, whether it's renters or landlords or, you know, public sector, community partners, nonprofits that were there, providing information about the housing authority and all the different programs we offer. As Kelly mentioned and did a great PowerPoint

on, our staff participated in the Moving to Work Landlord Incentives Cohort to talk about best practices, any flexibilities that we are allowed to do within that cohort. Our staff also worked with the Aetna Foundation to learn about each other and provide information, and also see any grant opportunities we would have to apply. We'll have some more detail about the Utah Renters Association in the next community partnership report next time. But that's all I have, but it stood out from some of the usual ones that our staff participate in. And I'm happy to answer any questions.

Bill: I noticed we had a meeting with URS, Utah Retirement Systems. Is that whom we partner with?

Dan: Yes.

Britnee: Yes, that is who we work with. So, they have an employer session biannually to talk about what's going on, what they see, the trends and what is passed by law in the legislative session for the year. We're also working with them closely to hold some meetings with individuals just to have it on-site. We find it hard for our staff to go to their big meetings, and they're generally last-minute. So, we're working with them on how we can offer that benefit for individual sessions at one of our locations, not just for our employees, but to offer it to any other public sector that uses Utah Retirement Systems to be a space that they could utilize.

Bill: Okay. Yes, I was just curious (audio distorts) it's probably been mentioned before that that's what (audio distorts 01.56.32).

Britnee: Yes.

Bill: So, I guess they take-, what is (audio distorts)?

Dan: Yes, they cover all kinds of public entities-,

Britnee: Yes.

Dan: Police departments.

M: I guess 1% of everything (ph 01.56.46)?

Britnee: Yes, all the housing authorities in this state that have staff are under Utah Retirement Systems.

Bill: Okay. I noticed on here that we had a meeting with Oakland Construction and also Big-D Construction concerning The Grove.

Britnee: Yes.

Dan: Are we just doing some ballpark bids and costs and all that, kind of, stuff? Big-D has been contracted only to provide cost-estimating services and they have done so very extensively. I'm not sure about the Oakland meeting.

Jonathan: Oakland actually reached out to us, they were working with a different developer, but they asked if they could provide some financing. We told them we were working with Big-D, but they were welcome to look at our numbers, which they did. And they did some estimating, and it came in about 5% different than Big-D's, which confirmed what we thought we already knew, which is that the numbers we were using were accurate.

Bill: Yes. They're our neighbor, by the way, for people that don't know, their head office is just down the street. Who did you work with at Oakland?

Jonathan: I'm not sure.

Bill: Okay.

Jonathan: I'd have to look at that.

Bill: Any other questions or comments about that? Looks like none. Income, housing, tax credit compliance.

D) LOW INCOME HOUSING TAX CREDIT COMPLIANCE

Zac Pau'u, Deputy Director

Zac: Commissioners, this is to provide an update to this body regarding our tax credit compliance and our ongoing audit process. As a reminder, we had 14 separate audits come through for our tax credit portfolio. Capital Homes' physical and file audit has been concluded, and we've received a close-out letter, so that one is done and off the books. For Taylor Springs and Taylor Gardens, we have submitted all required information, and we're currently awaiting a close-out letter for both of those sites. For Sunrise and Metro, Rendon and Jefferson, we have responses due by June 26th, and we're actively working to resolve any issues before those deadlines. With the audit over at Jefferson School Apartments, too, we have not received any findings yet from UHC. However, we anticipate those coming in, and resolving them as quick as possible. The other big-ticket item that we have is our annual owner certifications. We were able to submit all of our reports within the past 30 days, and we have also requested extensions where needed. I'm going to turn over to Kim to talk a little bit about the financial aspect of that.

Kim: With the annual audit owner certifications, we submit the audit and the tax returns for each LLC. That includes 9th East Lofts, Pamela's Place, Rendon Terrace, Taylor Gardens and Taylor Springs, and then we also submit a housing authority-wide audit for the entities that are out of their (audio distorts), compliance requirements and that is JSA, Jefferson School 1, Jefferson

School 2, and Sunrise Apartments. And all of those are in process. We are ready to submit today or tomorrow all of those listed, with the exception of the housing authority-wide, we'll request an extension for those for up to 60 days, the capital.

Fraser: Are these audits purely financial, or are they programmatic as well?

Kim: These particular audits are financial; they also audit in compliance with our regulatory requirements. The other audits that Zac was discussing were file audits, program audits, physical inspections.

Fraser: Okay, great. Thank you.

Kim: Capital Homes, we are still waiting on the 8609, that's in the hands of Utah Housing Corporation, and the final audit is in draft form, very close, and we'll have an extension on that.

Fraser: And how often do these audits take place?

Kim: Those are annual.

Fraser: They're annual.

Dan: The finance ones?

Kim: Yes.

Bill: Are Capital Houses, all the commercial leased out at this point? Are they still working?

Dan: A lot of the stuff we just covered, she doesn't take credit when it goes wrong, and then when it goes right, we all take credit, so for the record.

E) KEY PERFORMANCE INDICATOR REPORT

Zac Pau'u, Deputy Director

Zac: Commissioners, this is for the 553 units owned by the housing authority. We closed out the month of March with an average occupancy of 94%. Our average days vacant was 27, however we did have some 8 units that fell under extraordinary circumstances, and those were all part of the VA occupancy recovery, with an average days vacant of 175 days. Our rolling accounts receivable for the month of March was 86,000, with a 36% collection rate. We had a total reoccurring charges of 426,000 and 8% delinquency rate.

Dan: The VA occupancy recovery, that's just an informal term for the fact that the VA decided on their own, to stop leasing at our sites, and that happened almost 2 years ago.

Zac: That is part of it. The other part of is what you and I have been working on with the staffing, because they stopped over at Freedom Landing and Valor, but, as this report notes, we have tons of units set aside for veterans, and then their staffing issue, they have not been referring people. So, as a group, when we meet with them and continue to push and push, that's why you're seeing such high numbers on our days vacant is getting 8 people moved in has not been easy.

Dan: I think we should start reporting on that in our phase report, just because it's much more accurate if we see the number of vacancies or the delays in refilling units.

The HASLC Meeting adjourned at 1:38 p.m.

Bill Davis, Vice Chair

Daniel Nackerman, Executive Director

Housing Authority of Salt Lake City

Staff Report

Report Provided by: Daniel Nackerman

Department: Executive Office



Item: RESOLUTION # 842-2024 Amendment Awarding Additional Project-based Vouchers (PBV's) for the Fairmont Heights Project

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

HASLC and HAME have been working with Lincoln Avenue Capital on a two (2) phased project in the Sugar House area of Salt Lake City located at 2257 S 1100 E. The project now consists of 55 units for low-income seniors in Phase One and 55 units in Phase Two. The project is named "Fairmont Heights". Note that at least 15 of the units will be "set-aside" for more challenged populations such as homeless seniors.

HAME, HASLC and LAC plan to apply for substantial financing of the initial 55 units through the 9% tax credit round in June with Utah Housing Corporation.

A past Board action on August 28, 2023 (Resolution # xxx-2023) awarded eighteen (18) Project-based Vouchers ("PBV's") for certain units. At the time the action was for 18 PBV's maximum. It is now proposed that an additional fifteen (15) Project-based units be scheduled for award, if ultimately needed, in order to accomplish the following:

- Assist with most of the rent for some of the hardest-to-house seniors in the region.
- Strengthening the financing application with Utah Housing Corporation,
- Strengthening the overall financing by adding to the total amount that can be borrowed, and by adding modestly to the cash flow over 15 years.

PROPOSAL:

Per the above, staff is recommending assisting the project with a commitment of an additional fifteen (15) PBV's for a maximum of thirty-two (32) Project-based Vouchers assigned to the future Fairmont Heights project.

ANALYSIS:

In addition to the background above, this action also helps:

- Adding very affordable housing in an area of a high income, with many available neighborhood services for citizens, on the East side of Salt Lake City ("Neighborhood of Opportunity").
- Helping with the regional homeless response and need for seniors.

ALLOCATION OF VOUCHERS:

Almost all HAS in the U.S. can convert approximately 20% of its regular vouchers to PBV's without needing any more funding. PBV's help stimulate new housing production as the subsidy stays with the unit instead of moving with the tenant. HASLC can now allocate up to 40% (soon to be 50%) due to its status as a "Moving to Work" (MTW) agency. These PBV's are drawn from our existing pool of Section 8 "tenant-based" vouchers meaning they were originally intended by the U.S. Department of Housing and Urban Development (HUD) to be assigned to individuals.

This tenant-based pool is very important but PBV's can also house the same general income levels and fill the need while stimulating the production of new housing supply, a significant accomplishment for HASLC by adding to the regional supply of available affordable housing.

The allocation of PBV's will be subject to winning the 9 % Tax Credit award as that competition takes the place of other possible competitive processes pursuant to 24 CFR 983.51. HASLC also has some flexibility in this area due to its HUD "Moving to Work" status, its adopted Administrative Plan, and recent national changes in the administration of HUD programs.

FINANCIAL ANALYSIS:

With the award of an additional 15 PBV's to the project for a minimum period of 15 years there is no negative impact on HASLC overall funding, and it significantly increases the financing strategy for the new Fairmont Heights project.

RECOMMENDATION:

Approve Resolution # 842-2024 approving all the necessary actions required to award and contract fifteen (15) additional Project-based Vouchers to the Fairmont Heights Project subject to confirmation of proper competition conclusion, 24 CFR 50-51 Environmental Clearance, 24 CFR 983.55 Subsidy Layering Review and approval, and execution of an AHAP agreement acceptable to HASLC.

RESOLUTION 842-2024

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF SALT LAKE CITY (HASLC) DESIGNATING PROJECT-BASED VOUCHERS TO THE FAIRMONT HEIGHTS PROJECT

WHEREAS, The US Department of Housing and Urban Development (HUD) allows Housing Authorities to designate Housing Choice Vouchers as Project-based Vouchers for rent subsidy attached to properties; and

WHEREAS, HASLC has both the budget capacity and the unit count capacity to approve fifteen (15) additional Project-based Vouchers; and

WHEREAS, HASLC has decided in the best interest of its mission and goals to designate those vouchers to assist in housing the previously homeless and persons with disabilities at the subject 50-unit property; and

WHEREAS, those Vouchers are presently designated as ‘Tenant-based’; and

WHEREAS, HASLC intends to re-designate the vouchers as “Project-based”, subject to all conditions being met to do so.

NOW, THEREFORE, be it resolved that 15 Project-based Vouchers are assigned to the Fairmont Heights property.

SUBJECT to any conditions of The US Department of Housing and Urban Development (HUD) and Utah Housing Corporation (UHC).

PASSED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF SALT LAKE CITY THIS 20th DAY OF MAY 2024.

Board Chair

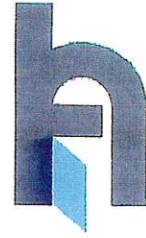
Executive Director

Approved as to form:

Gilmore Bell, PC

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Kim Wilford, Deputy Executive Director and Kelly Walsh,
Senior Housing Analyst



Housing Authority
of
Salt Lake City

**Subject: Resolution # 843-2024 approving the amended Fiscal Year 2024 Annual
PHA Plan**

May 20, 2024

BACKGROUND:

Each year, the Housing Authority of Salt Lake City (HASLC) must submit an Annual Public Housing Agency (PHA) Plan to the U.S. Department of Housing and Urban Development (HUD) for approval. The Annual PHA Plan provides interested parties with information on basic HASLC policies, rules, and requirements concerning operations, programs, and services. The HASLC Board of Commissioners approved the initial FY2024 Annual PHA Plan on September 25, 2023, which was subsequently submitted to HUD and approved.

An amended Annual PHA Plan is required if certain changes are made after HUD approval is received. The Amended Annual Plan must go through a public process and be approved by the Board of Commissioners.

ANALYSIS:

HUD allows PHAs to establish local preferences for the Housing Choice Voucher program in the Administrative Plan. A local preference gives waiting list priority to families and individuals meeting specific criteria. HASLC currently has four approved local preferences in its Administrative Plan: Victims of Natural Disasters, Victims of Domestic Violence, Non-Elderly Disabled Status for certain targeted vouchers, and a preference for any family that has been terminated from HASLC's HCV program due to insufficient funding.

After conversations with local homeless service providers, HASLC is proposing the addition of the following local preference:

HASLC will give a waiting list preference to homeless individuals and families who are referred by the Salt Lake County Coordinated Entry System. This preference applies only to project-based vouchers at the Magnolia, Palmer Court, and Wendell Court permanent supportive housing sites.

The Salt Lake County Coordinated Entry System is a structured method aimed at providing access to housing and services for those experiencing homelessness or housing instability. Operating through a centralized system, the goal of coordinated entry is collaboration to identify and prioritize those most in need of resources. While a local preference would be given to those referred through the Salt Lake County Coordinated Entry System at the listed properties, members of the public would still be able to apply to the impacted waiting lists (provide the waiting list is open).

The proposed local preference requires the submission of an amended FY2024 Annual PHA Plan because it impacts HASLC's waiting list policies.

RECOMMENDATION:

Adopt Resolution # 843-2024 authorizing the approval of the addition of a preference to families referred by the Salt Lake Coordinated Entry System for project-based vouchers at the Magnolia, Palmer Court and Wendell Court permanent supportive housing sites and to submit the amended FY2024 Annual PHA Plan to HUD, provided no significant changes are required from the public hearing process.

RESOLUTION 843-2024

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF SALT LAKE CITY
APPROVING THE AMENDED FISCAL YEAR 2024 ANNUAL PHA PLAN**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires all Housing Authorities to submit Annual PHA Plans as required by the 1998 'Quality Housing and Work Responsibility Act', and

WHEREAS, the Board of Commissioners of the Housing Authority of Salt Lake City approved the initial 2024 Annual PHA Plan submission on September 25, 2023, and

WHEREAS, the Housing Authority is proposing an update to the approved 2024 Annual PHA Plan to include a local waiting list preference for homeless individuals and families referred through the Salt Lake County Coordinated Entry System at certain permanent supportive housing sites with Housing Authority project-based vouchers, and

WHEREAS, the proposed local waiting list preference requires the Housing Authority to submit an amended 2024 Annual PHA Plan to HUD for approval, and

WHEREAS, the Housing Authority has amended the initial 2024 Annual PHA Plan with the proposed language and will complete the required public process, and

NOW THEREFORE be it resolved that the Board of Commissioners of the Housing Authority of Salt Lake City approves the amended 2024 Annual PHA Plan.

Passed and approved on this 20th day of May 2024.

Michael Pazzi, Chair, HASLC

Daniel Nackerman, Executive Director

Gilmore Bell, P.C.

APPROVED AS TO FORM:

Housing Authority of Salt Lake City

Staff Report

Report Provided by: Interim CFO, Kristen Knecht and Kim Wilford
Department: Finance



Item: 2023 Audited Financial Statements

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

Each year the Housing Authority is audited by independent CPA firms with reviews of the internal controls, a single audit of Section 8, individual tax credit funded properties (Discretely Presented Component units), and the overall agency. HASLC utilizes Brent Stratton and his team, under Hainey and Company.

Brent began the audit review for the 2023 fiscal (and calendar) year in February 2024 to opine on requirements such as compliance and controls for major Federal programs, elements of the State of Utah Audit Guide, and GASB reports on controls and compliance.

The early audit work focused on the Tax Credit properties (Discretely Presented Component Units) for timely approval and preparation of the tax returns. Those properties are LLC's and receive separate audit reports.

The auditor's initial HASLC work included sample selections of check registers, billing registers and items related to payroll/personnel, Housing Assistance Payments (HAP) registers, waiting list and eligibility files. Testing was also performed for transferred participants, failed HQS inspections and review of the Board minutes from the fiscal year.

The auditors and staff provided updates for the Audit Committee regarding the progress of the LLC audits as well as the agency wide audit and met to review the final audit report on May 14, 2024.

The Government-wide financial statements provide information about the Authority's overall financial position and results from operations. These statements are presented on an accrual basis, consisting of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and the Statement of Cash Flows. The Notes to the Financial Statements section provides further essential details.- All programs and component units are managed on a December 31 year-end. The Government-wide statements reported the Authority and component unit's net position and respective changes outlined as follows:

- Operating revenue was \$49,149,617 for FY 2023.
- Long term debt outstanding, less the current portion, was \$24,016,780 as of December 31, 2023.
- Net Position at the beginning of the year was \$68,863,117; at the end of the year, it was \$70,619,862 - an increase of \$ 1,756,745. This is reflected in the Statement of Revenues, Expenses and Change in Fund Net Position.

FINANCIAL HIGHLIGHTS AND OVERVIEW: (Government- Wide Financials Only)

	2023	2022
Current Assets	34,139,028	38,350,906
Capital Assets (Net)	51,457,236	44,385,014
Other Assets	16,761,390	15,274,150
Total Assets	102,357,654	98,010,070
Deferred Outflow of Resources	1,486,627	1,176,600
Current Liabilities	3,898,067	2,408,483
Non-current Liabilities	29,072,267	25,560,976
Total Liabilities	32,970,334	27,969,459
Deferred Inflows of Resources	254,085	2,354,094
Net Position	70,619,862	68,863,117
	2023	2022
Operating Revenues		
Federal Subsidies	35,354,937	31,723,323
Rents	11,025,236	9,204,274
Other	2,769,444	1,914,328
Total Operating Revenue	49,149,617	42,841,925
Operating Expenses		
Administrative	8,304,701	7,414,623
Tenant Services	27,761	23,106
Utilities	1,467,984	1,314,101
Ordinary Maintenance	3,686,399	3,175,041
Protective Services	40,223	16,958
Insurance	555,625	539,279
General	866,901	768,993
Housing Assistance Payments	33,255,745	28,226,890
Depreciation	2,017,635	1,807,231
Fraud Losses	-	-
Total Operating Expenses	50,222,974	43,286,222
Income (Loss) from Operations	(1,073,357)	(444,297)
Non-Operating Income (Expenses)		
Interest Income	1,118,411	339,203
Interest Expense	(789,660)	(773,273)
Gain (Loss) on Sale of Capital Assets	(1)	3,750,662
Casualty Loss	(795,703)	(346,950)
Total Non-Operating Income (Expenses)	(466,953)	2,969,642
Capital Grants	473,902	697,303
Change in Net Position	(1,066,408)	3,222,648
Net Position at Beginning of Year	68,863,117	66,526,016
Prior Period Adjustment	(437,650)	(885,547)
Equity Contributions and Transfers	3,260,803	-
Adjusted Net Position at Beginning of Year	70,619,862	68,863,117

SIGNIFICANT CHANGES IN INDIVIDUAL PROGRAMS:

- During 2023, The Housing Choice Voucher program, which is administered by HUD and provides Housing Assistance Payments (HAP) to our voucher landlord, increased in voucher utilization and in funding. HASLC strives to maximize both. The program ended the year overspent in HAP by \$103,254. The overspent amount was approved by HUD to be covered with available set-aside funding.
- The Public Housing program subsidy experienced an 11% increase in 2023. This program has maintained its reserves of greater than 4 months' average operating expenses that assist in balancing the operating deficits in the program. We operated conservatively for 2023 expecting the funding to remain stable. Our agency will continue the path of exiting the Public Housing program for the remaining two properties.
- 2023 continued to experience a strong rental market with increasing area market rents throughout the city with vacancy rates at historic lows – with faster unit preparation timelines as well. The Salt Lake area continues to have a strong real estate market. HASLC engaged with residents to take advantage of all available funding for rental assistance. HASLC's Temporary Assistance for Needy Families (TANF) grant more than doubled from the previous year and \$1,080,886 was spent in 2023 to help provide financial assistance to eligible families.
- Sunrise Metro has passed its 15-year period under the LLC partnership. Sunrise Metro's financials are now reported under the Housing Authority's Business Activities (this has increased the Business Activities short term liabilities). HAME was awarded tax credits under a re-syndication and new construction, Atkinson Stacks LLC to begin development in 2024.
- During the year the Housing Authority paid off a remaining \$1.43-million-dollar construction loan with Zions Bank. The loan originated in 2018 and was for the construction of one of our tax credit properties, Capitol Homes Apartments.
- HASLC purchased a fully entitled project including the land, Pharos Apartments for \$1,360,000. Staff are seeking financing methods to enable construction to begin in 2024-2025.
- In 2023, the Public Housing program began work on an accessibility improvements and repairs contract for 18 units in its Public Housing properties and HALSC's main office. The original contract amounted to \$1,792,145. A few of the improvements include plumbing fixtures and kitchen appliances for Public Housing units, as well as ADA compliant electrical doors. By end of year, HASLC had capitalized \$535,186 of the accessibility improvements. \$81,933 was additionally funded by HASLC's Capital Fund Grant.
- The Capital Fund grants funded other Public Housing capital improvements during the year. This included elevator modernization, fire alarm panel wiring improvements, hot water tank replacements, and a boiler pump.
- HUD program utilization levels had a favorable impact on overall operating revenues for 2023. With an increase in HUD grant funding from \$31,723,323 in 2022 to \$35,414,287 in 2023, an increase of \$3,690,964. (This continues into 2024 as well.)

HASLC continues to increase its net position year after year by careful management of its resources and continued new property developments.

ACTION RECOMMENDED:

Discuss and accept the 2023 Audited Financial Statements.

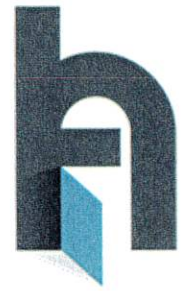
Housing Authority of Salt Lake City Staff Report

Report Provided by: Deputy Executive Director, Kim Wilford and
Interim CFO, Kristen Knecht
Department: Finance



Item: Account Reconciliation (Write-Offs) Through January 2024

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

The Housing Authority of Salt Lake City (HASLC) conducted a reconciliation of our uncollected receivables or 'bad debt' for all past due accounts *through January of 2024*. HASLC usually incurs this debt when a tenant or participant leaves a HASLC program owing a balance that may arise from excessive damage to a unit, unpaid rent, legal costs, or unreported income. There are also instances where a landlord is overpaid rental assistance payments often resulting from unreported tenant moves, tenant skips, or tenants that pass away.

ANALYSIS:

This bad debt write-off includes debts owed to the Housing Authority for the period through January 2024. 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. We have found that one of our third-party management companies hasn't been writing off past accounts and we will bring their portion to the next quarterly write-off.

The charges related to the write off are categorized below:

	Total
Rent	\$ 7,479.00
Maintenance	\$ 450.00
Legal	\$ 405.00
Voucher Programs (Section 8)	\$ 0.00
Other	\$ 0.00
Methamphetamine	\$ 0.00
Landlord Overpayment	\$ 0.00
Total	\$ 8,334.00

FINANCIAL IMPLICATIONS:

Staff are recommending a write-off amount of \$8,334.00. HASLC procedure is to write off uncollected balances over 90 days. Note that we continue to take action to collect these balances due regardless of the write-offs.

RECOMMENDATION:

A motion to approve the bad debt write-off amount of \$8,334.00 under the provision that collection attempts will continue internally and through NAR, our external debt recovery agency.



BAD DEBT RECONCILIATION REPORT Q2 2024

Program / Property Number	Rent	Maint	Legal	Meth	Other	Stop Payment	S8 Payback	Land Lord Over Payment	URP Overpayment	all/fraud	Total FY24 Q2
NON-PROFIT											
Project HAME 250-256	1,345.30	-	-	-	-	-	-	-	-	-	1,345.30
Project HAME 250-257	-	-	-	-	-	-	-	-	-	-	-
Project HAME 250-330 330 North	-	-	-	-	-	-	-	-	-	-	-
Project HAME 250-420 Pacific Ave/Heights	-	-	-	-	-	-	-	-	-	-	-
Project HAME 250-771 South	-	-	-	-	-	-	-	-	-	-	-
Project 276-9th East Lofts	-	-	-	-	-	-	-	-	-	-	-
Project 450-rad RendonTerrace	4,481.00	300.00	405.00	-	-	-	-	-	-	-	5,186.00
Project 600-601 -Riverside	-	-	-	-	-	-	-	-	-	-	-
Project 608 -Ben Albert	-	-	-	-	-	-	-	-	-	-	-
Project 609 -Cantebury	-	-	-	-	-	-	-	-	-	-	-
Non-Profit Total	5,826.30	300.00	405.00								6,531.30
PUBLIC HOUSING											
406-Phillips Plaza	520.00	-	-	-	-	-	-	-	-	-	520.00
415-Romney Plaza	378.00	150.00	-	-	-	-	-	-	-	-	528.00
Public Housing Total	898.00	150.00									1,048.00
HOMELESS / VETERAN PROGRAM											
251 Cedar Crest	-	-	-	-	-	-	-	-	-	-	-
260 Sunrise Metro	1,081.84	60.00	530.00	5,630.00	30.00	-	-	-	-	-	7,331.84
268 Pamela's Place	620.00	175.00	630.00	-	-	-	-	-	-	-	1,425.00
550-565 Duplex West Temple	-	-	-	-	-	-	-	-	-	-	-
556-553 Valer Apts	-	-	-	-	-	-	-	-	-	-	-
557 Freedom Landing	2,100.00	-	-	-	-	-	-	-	-	-	2,100.00
Homeless / Veteran Total	3,801.84	235.00	1,160.00	5,630.00	30.00						10,856.84
SECTION 8											
Grants	-	-	-	-	-	-	-	-	-	-	-
830 MOD Rehab	-	-	-	-	-	-	-	-	-	-	-
860 Section 8	-	-	-	-	-	-	-	-	-	-	-
S8 Total											
Land Lord Over Payments											
Land Lord Over Payments total											
Grand Totals	10,526.14	685.00	1,565.00	5,630.00	30.00						18,436.14

RENT	10,526.14	685.00	1,565.00	5,630.00	30.00						
MAINTENANCE	3,047.14	150.00	405.00	7,475.00							
LEGAL	1,160.00	30.00	30.00	405.00							
SECTION 8	-	-	-	-	-						
OTHER	30.00	30.00	30.00	-	-						
METH	5,630.00	5,630.00	5,630.00	-	-						
LandLord	-	-	-	-	-						
total	\$ 18,436.14	\$ 10,102.14	\$ 8,334.00	\$ 8,334.00	\$ -						\$ -

Housing Authority of Salt Lake City (HASLC)

Staff Report

Report Provided by: Interim CFO, Kristen Knecht

Department: Finance



Item: Fiscal Year 2024 Financial Statements through March

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND AND METRICS:

The “Consolidated” financial report for HASLC properties (not HAME or HDC) shown individually herein, represents all properties and programs under the HASLC portfolio, and shows a solid financial position through March, realizing **net residual receipts (income) of \$330,856** on year-to-date revenues for all HASLC properties of **\$12,227,292** and expenses of **\$11,896,436**.

The HASLC properties are in a healthy financial position three months into the year. Contract costs appear high compared to the budget due to seasonal snow removal that will level out during the year. The Other General category is over budget due to new business licenses paid, this also will even out over the remainder of the year.

HASLC’s “Owned” properties realized a **net residual income of \$268,145** through March. The “Owned” properties are still performing slightly below budget.

The “Voucher” programs (primarily Section 8) realized net **residual income of \$67,669** under administrative fees income and related expenses, which are under budget. The Housing Assistance Payments (HAP), paid to landlords on behalf of voucher holders are over budget, however the final budget authority has not been released by HUD. HAP expenses are over anticipated budget authority and currently in “shortfall”. HUD maintains set-aside funding to assist housing authorities in shortfall (or overspent in HAP funds) and staff have applied to HUD for this expected funding.

Our “Public Housing” properties show a **net deficit of (\$138,640)**, this is more of a deficit than the projected of (\$104,588) and the agency will utilize existing program reserves to cover this budgeted deficit. The higher deficit is a combination of lower advanced HUD funding than budgeted and ‘extraordinary maintenance’ is also over due to tree trimming and mechanical repair expenses. Administrative expenses are over budget as well and indicates the need for a budget adjustment to telephone expenses.

Our Housing Authority “Homeless” properties had a **net surplus of \$44,281**, which is less than the budgeted projections of \$60,854.

The HASLC “Management Fund” is at a **\$46,647 surplus**, much less than the adopted budget which had anticipated a deficit of (\$75,629).

Note that the attached financial statements to date show the comparison to the 2024 budget approved by the Board in September 2023. Note also that variances greater than 15% and \$20,000 are highlighted in green or yellow and notes are shown for the cause.

ANALYSIS:

A summary of operating revenues and expenses (budget vs. actual) for the period of January 1, 2024, through the end of March are shown above and the FY24 financials are detailed in the subsequent pages. Across the

entire agency, both administrative and maintenance payroll are under budget, but this is expected to level out by year end.

The agency's overall income and expenses remain on track and better than anticipated (budgeted) in most areas – with a consolidated surplus to date of **\$1,118,789**. This amount assumes that the Authority will be compensated by HUD for its current HAP shortage of \$544,476.

RECOMMENDATION:

Review and accept report. No vote required.

Note: Operating costs exclude depreciation, amortization, and capital expenses.

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000					
INCOME					
3190-0000	47,589.51	48,339.00	-749.49	-1.55	193,358.00
LEASE RENTAL & NONDWELLING RENTS					
3399-9999	1,579,789.39	1,649,002.77	-69,213.38	-4.20	6,596,021.00
OPERATING INCOME					
3699-9999	327,735.23	282,768.03	44,967.20	15.90	1,131,073.00 1)
OPERATING INCOME OTHER					
3899-9999	10,272,178.14	8,429,907.00	1,842,271.14	21.85	33,719,624.00 2)
GRANT/SUBSIDY INCOME					
3999-9999	12,227,292.27	10,410,016.80	1,817,275.47	17.46	41,640,076.00
TOTAL INCOME					
4000-0000					
EXPENSE					
4112-9999	926,429.89	1,247,128.74	320,698.85	25.72	4,988,537.00 3)
ADMIN PAYROLL					
4299-9999	401,872.27	379,876.05	-21,996.22	-5.79	1,519,507.00
ADMINISTRATIVE EXPENSE					
4339-9999	201,310.73	206,063.28	4,752.55	2.31	824,236.00
UTILITIES					
4419-9998	177,741.99	171,629.04	-6,112.95	-3.56	686,509.00
MAINT/OPER PAYROLL					
4429-9998	81,945.24	68,202.30	-13,742.94	-20.15	272,806.00
MATERIALS-ORD MAINT					
4440-9999	321,431.74	290,632.02	-30,799.72	-10.60	1,162,540.00
CONTRACT COSTS-ORD MAINT					
4579-9999	154,758.07	142,324.29	-12,433.78	-8.74	569,297.00
OTHER GENERAL EXPENSE					
4589-9999	102,528.13	98,906.76	-3,621.37	-3.66	395,619.00
INTEREST EXPENSE					
4599-9998	37,352.15	21,329.22	-16,022.93	-75.12	85,315.00
OTHER GENERAL, PROP TAX					
4610-9999	43,771.87	15,450.96	-28,320.91	-183.30	61,800.00 4)
EXORD EXPENSES					
4799-9999	9,447,294.39	7,550,511.99	-1,896,782.40	-25.12	30,202,060.00 5)
HOUSING ASSIST PMTS					
7999-9999	11,896,436.47	10,192,054.65	-1,704,381.82	-16.72	40,768,226.00
TOTAL EXPENSES					
8999-9999	330,855.80	217,962.15	112,893.65	51.80	871,850.00
NET PROFIT/LOSS					

1) Budgeted conservatively for 2024 HAP income and the Housing Authority is receiving more than previously anticipated.

2) Received 46K developer fee income for Stratford Apartments.

3) Vacant Real Estate Development Analyst position.

4) Emergency tank replacement at Freedom and a chiller repair needed to be done at Romney. There was also an unplanned shower replacement at the red house.

5) HASLC had a significant lease up in vouchers in 2024. HAP expenses are higher than projected and will be increased in a budget revision.

HASLC Owned Properties (haslcown)

Taylor Springs, 9th East, Canterbury, Cambridge Cove, Jefferson Circle, & Red House

Budget Comparison

Period = Mar 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000					
INCOME					
3190-0000	14,325.51	15,075.00	-749.49	-4.97	60,302.00
LEASE RENTAL & NONDWELLING RENTS					
3399-9999	959,816.19	1,006,523.25	-46,707.06	-4.64	4,026,103.00
OPERATING INCOME					
3699-9999	65,982.71	61,712.01	4,270.70	6.92	246,843.00
OPERATING INCOME OTHER					
3999-9999	1,040,124.41	1,083,310.26	-43,185.85	-3.99	4,333,248.00
TOTAL INCOME					
4000-0000					
EXPENSE					
4112-9999	132,525.06	151,645.47	19,120.41	12.61	606,602.00
ADMIN PAYROLL					
4299-9999	100,897.84	116,105.49	15,207.65	13.10	464,425.00
ADMINISTRATIVE EXPENSE					
4339-9999	81,687.66	100,557.75	18,870.09	18.77	402,214.00
UTILITIES					
4419-9998	43,014.52	59,807.52	16,793.00	28.08	239,223.00
MAINT/OPER PAYROLL					
4429-9998	47,887.12	39,023.52	-8,863.60	-22.71	156,085.00
MATERIALS-ORD MAINT					
4440-9999	187,711.49	153,705.30	-34,006.19	-22.12	614,836.00 1)
CONTRACT COSTS-ORD MAINT					
4579-9999	35,200.07	42,824.01	7,623.94	17.80	171,296.00
OTHER GENERAL EXPENSE					
4589-9999	102,528.13	98,906.76	-3,621.37	-3.66	395,619.00
INTEREST EXPENSE					
4599-9998	19,135.13	11,564.25	-7,570.88	-65.47	46,247.00
OTHER GENERAL, PROP TAX					
4610-9999	21,392.42	10,200.99	-11,191.43	-109.71	40,800.00
EXORD EXPENSES					
4969-9999	0.00	0.00	0.00	0.00	0.00
FEES/DONATIONS					
7999-9999	771,979.44	784,341.06	12,361.62	1.58	3,137,347.00
TOTAL EXPENSES					
8999-9999	268,144.97	298,969.20	-30,824.23	-10.31	1,195,901.00
NET PROFIT/LOSS					

1) Snow removal expenses are seasonal and will even out over the remainder of the year. Canterbury is overbudget due to landscaping expenses and unit turnarounds, mostly from painting expenses.

Voucher Properties for Qtr Rpts (voucher)

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = qtr_bis1

	PTD Actual	PTD Budget	Variance	% Var	Annual
3399-9999	0.00	212.25	-212.25	-100.00	849.00
3699-9999	381.65	4,427.76	-4,046.11	-91.38	17,717.00
3899-9999	723,254.00	771,174.75	-47,920.75	-6.21	3,084,695.00
3999-9999	723,635.65	775,814.76	-52,179.11	-6.73	3,103,261.00
4000-0000					
4112-9999	472,233.49	569,692.02	97,458.53	17.11	2,278,770.00 1)
4299-9999	125,029.35	110,827.47	-14,201.88	-12.81	443,310.00
4429-9998	417.01	1,681.50	1,264.49	75.20	6,732.00
4440-9999	0.00	5,572.26	5,572.26	100.00	22,286.00
4579-9999	39,848.64	28,712.25	-11,136.39	-38.79	114,849.00
4599-9998	885.52	2,520.24	1,634.72	64.86	10,089.00
4799-9999	17,553.00	18,453.00	900.00	4.88	73,824.00
7999-9999	655,967.01	737,458.74	81,491.73	11.05	2,949,860.00
8999-9999	67,668.64	38,356.02	29,312.62	76.42	153,401.00
3802-6000	8,885,265.00	7,532,058.99			30,128,236.00
4799-9999	9,429,741.39	7,532,058.99			30,128,236.00
Under Funded	(544,476.39)	0.00			0.00

*Anticipating payment for shortage.

1) Vacant FSS coordinator positions during the period.

Budget Comparison

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3399-9999	170,271.90	172,760.01	-2,488.11	-1.44	691,040.00
3699-9999	35,417.40	31,019.49	4,397.91	14.18	124,078.00
3899-9999	100,560.00	107,066.49	-6,506.49	-6.08	428,266.00
3999-9999	306,249.30	310,845.99	-4,596.69	-1.48	1,243,384.00
4000-0000					
4112-9999	125,321.06	158,373.48	33,052.42	20.87	633,494.00
4299-9999	35,139.92	20,986.50	-14,153.42	-67.44	83,946.00
4339-9999	74,939.53	62,026.53	-12,913.00	-20.82	248,106.00
4419-9998	72,755.28	60,784.02	-11,971.26	-19.69	243,136.00
4429-9998	10,424.86	11,397.00	972.14	8.53	45,588.00
4440-9999	61,210.90	61,160.25	-50.65	-0.08	244,641.00
4579-9999	47,777.88	39,475.23	-8,302.65	-21.03	157,901.00
4599-9998	6,040.31	1,230.99	-4,809.32	-390.69	4,924.00
4610-9999	11,279.75	0.00	-11,279.75	N/A	0.00
7999-9999	444,889.49	415,434.00	-29,455.49	-7.09	1,661,736.00
8999-9999	-138,640.19	-104,588.01	-34,052.18	-32.56	-418,352.00

HASLC Homeless Properties (haslhome)

Cedar Crest, Transitional, Valor Apartments, Freedom Landing & Valor House

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000					
INCOME					
3190-0000	33,264.00	33,264.00	0.00	0.00	133,056.00
LEASE RENTAL & NONDWELLING RENTS					
3399-9999	448,501.30	469,507.26	-21,005.96	-4.47	1,878,029.00
OPERATING INCOME					
3699-9999	1,717.81	15,457.53	-13,739.72	-88.89	61,830.00
OPERATING INCOME OTHER					
3899-9999	18,623.14	19,606.77	-983.63	-5.02	78,427.00
GRANT/SUBSIDY INCOME					
3999-9999	502,106.25	537,835.56	-35,729.31	-6.64	2,151,342.00
TOTAL INCOME					
4000-0000					
EXPENSE					
4112-9999	147,349.57	217,029.51	69,679.94	32.11	868,118.00 1)
ADMIN PAYROLL					
4299-9999	58,407.04	44,536.83	-13,870.21	-31.14	178,147.00
ADMINISTRATIVE EXPENSE					
4339-9999	51,451.93	43,479.00	-7,972.93	-18.34	173,916.00
UTILITIES					
4419-9998	61,718.81	51,037.50	-10,681.31	-20.93	204,150.00
MAINT/OPER PAYROLL					
4429-9998	21,265.57	15,491.79	-5,773.78	-37.27	61,967.00
MATERIALS-ORD MAINT					
4440-9999	70,249.29	68,853.69	-1,395.60	-2.03	275,415.00
CONTRACT COSTS-ORD MAINT					
4579-9999	31,173.48	30,289.29	-884.19	-2.92	121,157.00
OTHER GENERAL EXPENSE					
4599-9998	5,110.32	1,013.73	-4,096.59	-404.11	4,055.00
OTHER GENERAL, PROP TAX					
4610-9999	11,099.70	5,249.97	-5,849.73	-111.42	21,000.00
EXORD EXPENSES					
7999-9999	457,825.71	476,981.31	19,155.60	4.02	1,907,925.00
TOTAL EXPENSES					
8999-9999	44,280.54	60,854.25	-16,573.71	-27.24	243,417.00
NET PROFIT/LOSS					

1) Vacant property manager and service coordinator positions during the period.

State Fund (.fs500) (Management Fund)

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3399-9999	1,200.00	0.00	1,200.00	N/A	0.00
3699-9999	221,913.36	170,151.24	51,762.12	30.42	680,605.00 1)
3999-9999	223,113.36	170,151.24	52,962.12	31.13	680,605.00
4000-0000					
4112-9999	92,271.52	150,388.26	58,116.74	38.64	601,553.00
4299-9999	73,127.18	87,419.76	14,292.58	16.35	349,679.00
4339-9999	776.40	0.00	-776.40	N/A	0.00
4419-9998	253.38	0.00	-253.38	N/A	0.00
4429-9998	1,950.68	608.49	-1,342.19	-220.58	2,434.00
4440-9999	2,260.06	1,340.52	-919.54	-68.60	5,362.00
4579-9999	758.00	1,023.51	265.51	25.94	4,094.00
4599-9998	5,069.64	5,000.01	-69.63	-1.39	20,000.00
7999-9999	176,466.86	245,780.55	69,313.69	28.20	983,122.00
8999-9999	46,646.50	-75,629.31	122,275.81	161.68	-302,517.00

1) The Housing Authority received developer fee income for Stratford apartments that wasn't included in the budget.

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Daniel Nackerman

Department: Executive



Subject: **Executive Director Update**

May 20, 2024



Housing Authority
of
Salt Lake City

Following is an outline for discussion of highlighted activities and milestones from the past month, as well as some emerging issues and projects:

- 1) HASLC/HAME and partners completed the final stages of the Salt Lake City developer procurement (an interview by a panel of 13 members) for the major downtown project presently known as The Grove (the historic Northwest Pipeline Building and site.) By meeting time today there may have been a selection, but rest assured the team completed substantial professional work over several months in applying which culminated in two voluminous written submittals and an extremely professional presentation two weeks ago. If awarded the \$140 million project HASLC/HAME will be a part of downtown Salt Lake history in restoring a major building and developing 200+ additional living units with retail, service, and public space uses.
- 2) Due to “lease-up” issues at two sites operated by The Road Home (TRH) wherein we arrange the applicants, we reimbursed the non-profit for 30 days rent at the unoccupied units, totaling \$62,480. This is an unusual, (last occurrence September 2019) and HASLC staff has since taken several measures in concert with TRH to improve communications and timelines, thereby avoiding such vacancies in the future.
- 3) Approximately \$5,633,510 million in funding was approved to go forward by the City Council for the Fairmont Heights Senior Housing development in Sugar House, specifically to help purchase the land.
- 4) An event with staff was conducted offsite with recognition of the contributions by our Finance Director who is relocating to Connecticut.
- 5) Note that HAME is the owner of Pacific Avenue and Pacific Heights Apartments, which have 25 and 23 units, respectively. It is managed by Apartment Management Consultants (AMC), our “3rd party” management company. AMC openly bid needed painting and stucco repair and received two bids; one from BCC Construction totaling \$129,580 and one from Bizy Contracting totaling \$115,000. We authorized (per our management agreement) award to Bizy. We have sufficient reserves for the facelift and repair. We decided to report it to the Board(s) as information even though it is a 3rd party contract.

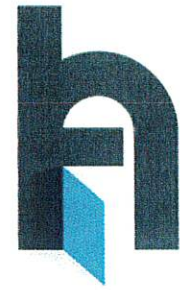
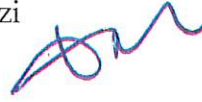
Thank you for your attention to these important matters and thank you for your voluntary leadership in helping this agency stay innovative and effective.

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Brenda Koga and Mike Pazzi

Item: Audit Committee Report

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

As you may recall the concept of Commission Committees was approved and included in our bylaws September 28, 2020. Our Audit Committee, which includes Brenda Koga and Mike Pazzi, has been updated on the progress of the agency audits, with a final review of the Housing Authority audit on May 14, 2024.

Each year the Housing Authority is audited by independent CPA firms with reviews of the internal controls, a single audit of Section 8, individual tax credit funded properties (Discretely Presented Component units), and the overall agency. Our contracted auditors typically perform an interim survey at the end of the calendar year reviewing internal controls and preparing to perform a draft single audit of the Section 8 program as the largest federal program. More exhaustive audit work is then performed mid-February concentrating on the Tax Credit properties for timely approval by lenders and preparation of the tax returns. These properties are LLC's and receive separate audit reports.

UPDATE:

The Haynie and Co. Partner, Brent Stratton, met with the Committee and the Executive Director, Deputy Executive Director, and Acting Finance Director on May 14th. All the Low-Income Housing Tax Credit, LLC properties audited by his firm are complete; Sunrise Metro, Pamela's Place, Taylor Springs, Taylor Gardens, 9th East Lofts, and Rendon Terrace. (Note that one other Tax Credit property has another Audit firm as requested by lenders). These LLC audits are completed and submitted to the investor partners each year.

Brent Stratton reviewed the agency audit in detail. Brent reviewed year to year comparisons with 2022 and 2023 and discussed areas of significant financial impacts such as HAP expense utilization and the positive effects of higher utilization on future funding, the purchase of Pharos apartments, the cash outlays to pay down debt and also significant interest income in comparison to prior years. **There are no findings, significant deficiencies or management comments.**

SUMMARY:

Brent will provide a presentation of areas of significance for the board to consider the audit at the May Board Meeting.

ACTION:

Accept and approve the 2023 Year End Audited Financial Statements and Independent Auditors' Report Prepared by Haynie & Company.

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Jackie Rojas

Department: Section 8



Item: Voucher Leasing and Budget Utilization

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

One of the largest and most important programs at almost every Housing Authority in the U.S. is the Section 8 Program which HUD has renamed the Housing Choice Voucher (HCV) program. There are several types of Voucher Programs at our agency, which includes Tenant-Based, Project-Based and programs targeted at assisting veterans, non-elderly disabled, youth aging out of foster care and families working towards reunification. Through these programs, HASLC houses approximately 7,000 persons and provides rental payments to roughly 1,000 private landlords each month.

FUNDING AND UTILIZATION:

The Voucher Program is tasked with very complex administration by HUD, including difficult funding and utilization formulas. Housing Authorities are awarded an annual “Budget Authority” - the maximum amount of funding to provide rental subsidy through the year for Housing Choice Vouchers. The “Budget Authority” is based on the previous year’s expenditure plus an inflation factor. HA’s are also awarded a certain number of vouchers as described below.

- The number of standard Housing Choice Vouchers allocated to HASLC, also known as Unit Months Available (UMA) is 3,047 per month in 2024. The annual maximum UMA that may be leased in 2024 is 36,564.
- The **estimated** 2024 Annual Budget Authority is \$31,396,814. This estimate comes from our most recent update conducted with HUD staff. The final Budget Authority is expected to be released in April 2024.

HUD expects each Housing Authority to maximize the number of units leased each year with the maximum utilization of the available budget. If these are not relatively balanced at the end of the year, there are negative impacts for the future of the program.

UPDATE SUMMARY:

The attached data demonstrates Leasing and Budget utilization through the month of April 2024.

- **LEASING:** The total number of units Leased in April 2024 is 2,935. **Voucher utilization is about 32% of the UMA – ideally it would be 33%.**
- **BUDGET:** The April 2024 expenditure of Budget Authority is \$2,956,245. Cumulatively, this is **39% of the estimated 2024 Budget Authority.** Based on the funding estimate, **target utilization of funding is 33%.**

(Note: Retroactive for 2023 HASLC received \$103,254. in “shortfall” funding for 2023. PHA staff are continuing to work with the HUD Shortfall team to revise our final 2023 shortfall amount and believe we may receive additional shortfall funding.)

MAINSTREAM VOUCHERS

Mainstream Vouchers are tenant-based vouchers that serve households with at least one non-elderly (18-61 years old) person **with a disability** that is transitioning out of institutional settings, at serious risk of institutionalization, are homeless, or at risk of becoming homeless. HASLC partners with the Utah Department of Health and Human Services to provide supportive services to Mainstream households. Funding and financial reporting for Mainstream Vouchers is separate from the regular tenant-based voucher program.

The Mainstream Voucher program is currently underutilized and has been for almost two years. Staff are prioritizing the leasing of these vouchers to fully utilize all available vouchers and funding, but new strategies are needed for full utilization as described below.

Our current leasing and utilization information for this special allocation of Mainstream Vouchers is as shown below:

- 76 Mainstream Vouchers are currently leased out of a possible 121.
- 22 of the remaining 45 Mainstream Vouchers have been issued to applicants and are searching for housing.
- We continue to process applicant households from the waitlist to determine program eligibility.

CONCLUSION:

Although we are still waiting for HUD’s final funding announcement, we are certain we will be over budget before the year end. We have taken two steps to decrease HAP expenditure: First, we are no longer “absorbing” port-in vouchers (another way of saying we won’t turn other agency vouchers into our own if tenants move in from another housing authorities...) – we will instead invoice the other PHA’s to administer their voucher in our jurisdiction. Second, we have stopped pulling names from the HCV waiting list and applicants that had been selected, but not completed the eligibility process, may be placed back on the waiting list or encouraged to lease thru Housing Connect.

We are meeting regularly to work with our HUD shortfall team to discuss actions we can take to continue decreasing our monthly expenditure. We also continue to closely monitor our budget both internally and through regular reviews of our “Two-Year-Tool” with HUD staff.

The leasing of Mainstream Vouchers continues to be a very high priority. Landlord outreach staff provide housing search assistance and work closely with Mainstream participants and their supportive services providers.

ACTION: Accept report. No vote needed.

Section 8 Leasing and Budget Summary as of April 30, 2024

MONTH	2022 Unit Months Available (UMA)	Actual Units Leased
JANUARY	3,047	2,866
FEBRUARY	3,047	2,895
MARCH	3,047	2,928
APRIL	3,047	2,935
MAY	3,047	
JUNE	3,047	
JULY	3,047	
AUGUST	3,047	
SEPTEMBER	3,047	
OCTOBER	3,047	
NOVEMBER	3,047	
DECEMBER	3,047	
	36,564	11,624
Reporting month target	33.33%	31.79%

MONTH	2023 Budget Authority	ACTUAL HAP EXPENSES
JANUARY	\$ 2,616,403	\$3,143,443
FEBRUARY	\$ 2,616,401	\$3,204,803
MARCH	\$ 2,616,401	\$2,947,253
APRIL	\$ 2,616,401	\$2,956,245
MAY	\$ 2,616,401	
JUNE	\$ 2,616,401	
JULY	\$ 2,616,401	
AUGUST	\$ 2,616,401	
SEPTEMBER	\$ 2,616,401	
OCTOBER	\$ 2,616,401	
NOVEMBER	\$ 2,616,401	
DECEMBER	\$ 2,616,401	
	\$ 31,396,814	\$ 12,251,744
Reporting month target	33.33%	39.02%

ESTIMATED 2024 HAP Funds Available \$31,396,814.00
2024 HAP Funds Expended \$12,251,744.00

YTD Target Utilization 33.33%	YTD Actual Utilization of all Funding Available 39.0%
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Housing Authority of Salt Lake City
Staff Report

Report Provided by: Britnee Dabb
Department: Executive

Item: Community Partners Report

May 20, 2024



Housing Authority
of
Salt Lake City

HASLC understands the importance of engaged community partnerships to strengthen the broader community and be seen as the leader in affordable developments and programs. Various staff members work on ways to build and strengthen partnerships monthly. Below are staff efforts to either reach out to initiate or continue to foster partnerships with the organizations or individuals listed below:

- A group of staff members from HASLC attended the 2024 Education Conference and Trade Show hosted by the **Rental Housing Association of Utah** (previously known as the Utah Apartment Association). Our main objective was to provide attendees with detailed information about various housing programs and how they work. We also informed them about the latest incentives for landlords, the Emergency Rental Assistance Program (ERAP), and any open employment opportunities.
- In early May, the staff attended the First Course benefit breakfast for **First Step House**.
- During the **FACE Hunger and Homelessness** meeting in April, our staff presented programs and policies for households that are homeless or at risk of becoming homeless.
- The **Neighborhood House** hosted an Open House that our staff attended to learn more about child development and adult care services and explore ways to strengthen our partnership.
- Our staff met with **Utah Housing Corporation** to discuss the status of various developments related to our agency's housing priorities, improving future collaborations, Low-Income Tax Credits, and the state's housing priorities.
- The staff attended the May 7th Salt **Lake City Council** meeting to discuss funding for land purchase at Fairmont Heights.
- Our team met with the Turner Center for Housing Innovation at **UC Berkeley** to join a nationwide study to identify effective strategies for implementing housing programs. The study's main objective is to publish a report showcasing successful strategy and recommendations to the Department of Housing and Urban Development (HUD) on improving regulatory changes and providing additional resources to help housing authorities work more efficiently.
- Staff collaborated with the **Utah Housing Coalition** to develop a landlord survey addressing common questions and concerns.
- Housing Authority Staff met with **Rocky Mountain Homes Fund** to explore collaborative opportunities for affordable home ownership in existing and pipeline developments.

- To improve our community partnerships, our staff recently met with **NeighborWorks Salt Lake's** Executive Director, Finance Manager, and Construction Manager to discuss first-time home buyers program collaboration.
- The Executive Director of **Alliance House** continued discussions with staff regarding our agency's participation in their Community Employment program for club members and the potential for a second Club location.
- Several meetings were held with staff and **The Downtown Alliance** to determine opportunities for site activation by creating community events in vacant lots.
- On Thursdays, the staff meets with the **Veteran Community Triage** team, which includes several community partners, such as **Veterans Affairs, Housing Connect, The Road Home, and First Step House**.
- Staff worked with HUD's **Davis-Bacon and Labor Standards Region VIII-Denver Regional Office** to assure agency compliance and answer project-specific questions about prevailing wages.
- **Salt Lake City Corporation's Department of Economic Development**, Redevelopment Chief Operating Officer and team met with HASLC staff to discuss progress developments and how to better serve Salt Lake City's goals.
- Staff attend the **Community Triage Group (CTG)** every Tuesday, where various agencies meet to discuss housing prioritization for families, singles, youth, and veterans.
- Staff met with the **Salt Lake County Office of Regional Development** to discuss opportunities related to The Environmental Protection Agency (EPA) remediation funding. Which included an overview of funding opportunities, detailed instructions for completing the application, and Community Development Block Grant (CDBG) Program compliance requirements.
- Staff met the **Salt Lake County Coordinated Entry Team** to discuss streamlining processes applicable to various programs and their waitlists to serve our community needs better.
- Staff met with a representative from **Paylocity**, our human capital management system, to explore enhancements and how they could benefit HASLC's effectiveness and efficiency.
- Staff met with **Big-D Construction** to discuss NW Pipeline costs and timing in preparation for the Request for Proposal.
- During the meeting, staff and **Salt Lake City Public Utilities** coordinated infrastructure improvements for Book Cliffs and Pharos developments.
- After receiving the Emergency Rental Assistance Program funding, staff met with **Salt Lake County's Housing & Community Development Operations Manager** to discuss the grant expectations.
- Staff met with the **Workforce Services Division of Child and Family Services (DCFS)** to discuss potential applicants and participants who may no longer qualify for the Family Unification Program. Discussions include waiting list applicants, withdrawals/rejections, and new DCFS Case Managers.

- The staff holds bi-weekly meetings with **Volunteers of America's** leadership and case manager teams. The meeting's objective was to discuss the possibility of building a better partnership between the two agencies and improving their coordination to offer multiple support to clients, customers, and applicants. The aim is to streamline the processes and offer the best possible service to those needing assistance.
- A cross-functional team of HASLC staff meets weekly with our software provider, **Yardi**, to implement Rent Café for our voucher and public housing programs. Rent Café will allow us to complete processes, such as recertifications for residents electronically, moving us closer to a paperless agency while increasing customer satisfaction.
- Housing funding and project opportunities were discussed with the **Department of Community & Neighborhoods of Salt Lake City Corporation** over several meetings.
- **Brinshore Development** and **EMG Property Management** leadership meet weekly with staff to lease project-based vouchers at Aster Apartments.
- Staff met regularly with **Blueline Group** and **First Step House** to work on developing the Stratford House Apartments.
- Weekly meetings occur with **Giv Group** and HASLC staff to discuss the development of Atkinson Stacks and the rehabilitation of Sunrise Apartments.
- HASLC Staff met with **Xylem Development** to discuss potential collaborations.
- Staff met with officials from the **Salt Lake City Corporation Planning Department**, the head of the **Salt Lake City Corporation Building Department**, and city inspectors to discuss new project development.
- Our staff met with **AffordableHousing.com** to discuss waitlists, potential integration with/updates to the HASLC website, and best practices moving forward.
- Staff meet weekly with **The Road Home/Men's Resource Center** team to discuss applications, waitlists, and housing questions.

END OF THE REPORT

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Director of Property Management, Vicci Jenkins

Department: Property Management



Item: UPDATE ON TAX CREDIT PROPERTY COMPLIANCE

May 20, 2024



Housing Authority
of
Salt Lake City

BACKGROUND:

The Housing Authority of Salt Lake City manages 11 properties funded through Section 42 of the Internal Revenue Code, also known as the Low-Income Housing Tax Credit (LIHTC) program, totaling 840 units, with upcoming developments in process. Recognizing past challenges, particularly in Certification Online Budget Data and Certification Online Financial Data, ongoing reporting to the board is emphasized to address delays. Utah Housing Corporation (UHC), the state's Housing Finance Agency, interprets the IRS regulatory code, distributing an annual compliance manual and conducting audits at each site based on that interpretation. Subsequent sections will elaborate on updates in the audit processes at Capitol Homes, Taylor Springs, Taylor Gardens Jefferson School Apartments I and II, Rendon Terrace, Sunrise Metro as well as updates on our Annual Owner Certification.

AUDIT AND OVERSIGHT UPDATES:

Taylor Springs and Taylor Gardens:

Close-out letters from Utah Housing Corporation for both physical file audits at both Taylor Gardens and Taylor Springs were received on April 24, 2024.

Rendon Terrace, Sunrise Metro, Jefferson School I & Jefferson School II:

On February 15, 2024, we received a notification from UHC regarding a file audit scheduled at Sunrise Metro on February 29, 2024. Subsequently, on February 20, 2024, we received another notification from UHC about file audits scheduled at Rendon Terrace on March 15, 2024. Additionally, file audits were scheduled at Jefferson School I on March 5, 2024, and at Jefferson School II on March 5, 2024. Physical audits were scheduled at Sunrise Metro on March 13, 2024, and at Rendon Terrace on March 12, 2024. Later, on March 5, 2024, we were informed of physical audits for Jefferson School I and Jefferson School II, set to take place on March 20, 2024.

Responses for Sunrise Metro are required by June 16, 2024, while Rendon Terrace and Jefferson School Apartments I require responses by June 26, 2024. *There are two outstanding items, one from a resident and another from a vendor that will complete the required packet for submission of Rendon Terrace and Sunrise Metro. We anticipate these will be received shortly.*

Regarding the audits conducted at Jefferson School Apartments II, *a finding report was received on April 9, 2024. Responses are due by July 8, 2024. We anticipate our 3rd party Management Company will complete submission well before the deadline.*

QUARTERLY SUBMISSION REQUIREMENT UPDATES:

‘Certification Online Tenant Data’ and ‘Certification Online Financial/Budget Data’ entail updating tenant information and providing accurate financial data quarterly and annually to maintain LIHTC program compliance. *All submissions were made within the designated timeframe.*

REQUIRED SUBMITTAL UPDATES:

All Annual Owner Certification (AOC) electronic forms *were submitted within the required timeline*, with full submission packets uploaded for the following properties on the due date of April 30, 2024: 9th East Lofts, Pamela’s Place, Rendon Terrace, Taylor Gardens, and Taylor Springs.

The following properties have been granted extensions while awaiting the submission pending the completion of the full HASLC Agency Audited Financials: Jefferson School Apartments I, Jefferson School Apartments II, and Sunrise Metro. Additionally, Capitol Homes is pending finalization of the 8609 and investor approved audit.

ANALYSIS:

With 6 out of the 14 required “audits” successfully completed and closed out, we are actively pursuing the swift closure of the remaining audits ahead of schedule. Annual Owner Certification submissions will continue to be submitted in a timely manner, as documentation is received.

RECOMMENDED ACTION:

None required. This report serves as an update for information purposes.

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Deputy Director Zac Pau'u

Department: Property Management *oM*

Item: Key Performance Indicators (KPIs)
April 2024

May 20, 2024



Housing Authority
of
Salt Lake City

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 578 units Housing Authority 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 Housing Assistance Management Enterprise (HAME) and Housing Development Corporation (HDC). 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 April 2024

Metric: >95% for stabilized properties

Average Occupancy	April
HASLC	93.4

Move-ins	April
HASLC	10

Move-outs	April
HASLC	9

Evictions	April
HASLC	0

KPI: Work order completion

Metric: >90%

For the month of April 95% of work orders submitted in the reporting period were completed. The remaining 5.5% (36 work orders) rolled over to May.

Total Work Orders	April

HASLC	645
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Unit Turns Completed	April
HASLC	12

KPI: Average Number of Days Vacant for April 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. We had one move ins which fell under outlying circumstances at Phillips Plaza that took 60 days to turn. This unit required extensive maintenance because of a long-term tenancy.

Days Vacant

	April
HASLC	31

VA referral units' days Vacant

We had eight move ins at our VA referral properties with an average of 69 days vacant.

	April
HASLC	69

KPI: Tenant Account Receivables (TARs)

Metric: 4% of Potential Rent or less.

In the previous month, HASLC had a rolling accounts receivable (AR) balance of \$66,877. We collected \$7,512 resulting in an 11% collection rate. Of this total, \$25,583 remains outstanding for more than 90 days. HASLC currently has 12 repayment agreements in effect, with a 83% compliance rate up to last month.

For the month of April, the total recurring charges for HASLC-owned properties amounted to \$455,654 with a 7% delinquency rate. At the close of April, the combined total owed for HASLC properties was \$90,188.

Financial Impact:

Account Receivables Owed

“Payback Agreements” reduce current (actual) rental collections, and they prevent evictions.


We continue our efforts to financially assist impacted residents who haven’t caught up from COVID-19 impacts. By aggressively pursuing outside financial relief, we have successfully decreased the total owed amount to HASLC by \$694,221 over the past year or so. The outside funding is coming from our federal and local Emergency Rental Assistance (ERA) and Community Reinvestment Act (CRA) awards.

Action Recommended:

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

Housing Authority of Salt Lake City
Staff Report

Report Provided by: Angel Myers

Department: Commission 

Item: Upcoming Conferences and Trainings

May 20, 2024



Housing Authority
of
Salt Lake City

CONFERENCES and TRAINING:

Industry trainings and related conferences are available for HASLC Commissioners. Some of the upcoming conferences and training are listed below. Please reach out to Angel at amyers@haslcutah.org to register or to ask any questions.

Public Housing Authorities Directors Association (PHADA)

- June 2-5, 2024, New Orleans, LA 2024 Annual Convention & Exhibition
- September 8-10, 2024, Washington, D.C. 2024 Legislative Forum

National Association of Housing and Redevelopment Officials (NAHRO)

- July 11-12, 2024, Chicago, IL 2024 NAHRO Summer Symposium
- September 26-28, Orlando, FL 2024 National Conference & Exhibition

National Leased Housing

- June 25-27, 2024, Washington, D.C. 2024 Annual Meeting
- October 29-30, 2024, Washington, D.C. 2024 Fall Seminar

National Housing and Redevelopment Association

- July 15-16, 2024, Laguna Niguel, CA 2024 Summer Institute
- November 14-15, 2024, Boston, MA 2024 Developers Forum

Office of the State Auditor

- Continuing trainings can be found online at <https://training.auditor.utah.gov>



HOUSING AUTHORITY OF SALT LAKE CITY

Meeting Location: 1776 So. West Temple, Salt Lake City, Utah

11:00 a.m. – 2:00 p.m.

Please call 801-428-0600 for more information

The Housing Authority of Salt Lake City is committed to our Mission:

To provide affordable housing opportunities for our community

2024 Scheduled Board Meeting Dates

Monday, January 29, 2024

Monday, February 26, 2024

Monday, March 25, 2024

Monday, April 29, 2024

Monday, May 20, 2024

Monday, June 24, 2024

Monday, July 29, 2024 (*may be cancelled)

Monday, August 26, 2024

Monday, September 30, 2024

Monday, October 28, 2024

Monday, November 25, 2024

Monday, December 30, 2024 (*may be cancelled)

*No meetings will be held in July and December unless necessary.

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