



HOUSING DEVELOPMENT CORPORATION OF SALT LAKE CITY

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

REGULAR MEETING:

Monday, October 28, 2024

11:00 am – 2:00 pm

WEB OPTIONS:

<https://housingauthorityofsaltlakecity.my.webex.com/housingauthorityofsaltlakecity.my/j.php?MTID=m07768da7c0f7200cbf44491fa5e8f85a>

OR

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

Meeting number: 2558 117 6447

Password: 1776

PHONE OPTION:

Dial 1-650-479-3208 Access Code: 2558 117 6447 Password: 1776

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

Board Members

Mike Pazzi, Chair

Bill Davis, Vice Chair
Phil Bernal, Board Member
Palmer DePaulis, Board Member
Vacant, Board Member

Tess Clark, Resident Board Member
Brenda Koga, Board Member
Fraser Nelson, Board Member
*Dave Manell, Board Member**

*Excused absence

BOARD MEETING AGENDA

1. Roll Call
2. Public Comment – *each participant will be allowed 3 minutes for comment.*
3. Motion to Approve HDC Open Meeting Minutes of October 28 2024 (attachment)- Board Chair/ 3 minutes *Page 1*
4. New Business
 - A) **APPROVE RESOLUTION # 856-2024 TO ADOPT AMENDEMENTS TO THE 2024 BUDGET REVISION FOR HDC.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 10 minutes.* *Page 6*
 - B) **AUTHORIZE WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU JULY 2024.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.* *Page 9*
 - C) **CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH SEPTEMBER 2024.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.* *Page 10*

Reports

- A) **Key Performance Indicator Report, Property Mgt: Deputy Director, Zac Pau'u** *Page 12*
5. Unfinished Business (none)
6. Tentative Closed Session (none)

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

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

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

One or more Commissioners of (HAME/HDC) may participate via telephonic conference originated by the President and within the meanings accorded to Utah Law, the meeting may be an Electronic Meeting, and the

Anchor Location shall be located at 1776 South West Temple, Salt Lake City, Utah. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify HAME/HDC not less than 24 hours prior to the meeting.

7. Adjournment

Housing Development Corporation of Salt Lake City

Report Provided by: Board Chair
Department: Commission

Item: Meeting Minutes of October 28, 2024

November 25, 2024

Housing Development
Corporation



BACKGROUND:

Review and revise/approve meeting minutes from Open Meeting of October 28, 2024.
(Attached)

RECOMMENDATION:

Approve the meeting minutes of October 28, 2024.

DRAFT

HOUSING DEVELOPMENT CORPORATION OF SALT LAKE CITY

Housing Authority of Salt Lake City
Salt Lake City, UT

Monday, October 28, 2024
11:41 a.m. – 11:43 a.m.

The meeting of the Board Members of the Housing Development Corporation of Salt Lake City was held on October 28, 2024, from 11:41 a.m. – 11:43 a.m.

Board Members in Attendance

Michael Pazzi, Chair
Bill Davis, Vice Chair
Palmer DePaulis, Board Member
Tess Clark, Resident Board Member
Fraser Nelson, Board Member
Phil Bernal, Board Member

Board Members Excused

Brenda Koga, Board Member

Staff in Attendance

Daniel Nackerman, President, HAME
Kim Wilford, Deputy Executive Director
Britnee Dabb, Deputy Director
Paul Edwards, Agency Attorney (via Webex)
Zac Pau'u, Deputy Director
Jonathan Olson, Vice President, Development
Vicci Jenkins, Deputy Director of Property Management
Kelly Walsh, Senior Housing Analyst (via Webex)
Angel Myers, Administrative Executive

Legal Counsel in Attendance

Clay Hardman, Gilmore & Bell

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

Roll Call

Public Comment

None

MOTION TO APPROVE HDC OPEN MEETING MINUTES OF SEPTEMBER 30, 2024.

Motion

Board member Clark made a motion to approve the **HDC Meeting Minutes of September 30, 2024**. Board member DePaulis seconded. The motion passed unanimously with Board Members, Pazzi, DePaulis, Clark, Nelson, Bernal and Davis all voting in favor. There were no objections or abstentions.

New Business

- 1) **CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH JULY 2024.** (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.*

Dan: Two properties in HDC, Ben Albert, 68 units, Riverside, 41 units. They both showing a positive bottom line of \$302,000 combined, and they're in healthy financial condition. We have made a lot of upgrades on these two properties as well, and we recommend you just would accept the report without a motion.

Motion

No motion is needed, just to review and accept the report.

Reports

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

Zac: Commissioners, we close the month of September with an average occupancy of 97.3. For our work order KPI, we were at 76% so that translates to 14 work orders, subsequently, the remaining rolled over into October. Our average days vacant was 24, and our delinquency rate, we did hit our 4 percent.

Fraser: Any concern about the 24 versus the 20? Is there anything consistent there that you're seeing, in terms of vacancy?

Zac: No, we're off by just a few days there.

Fraser: No trends that we are seeing.

Zac: No, not at HDC.

Mike: Yes, this is already so clean. Okay, anything else?

Fraser: I do have one question. I note that we still have a vacant spot and with all the new committees. Any movement on getting our additional commissioner?

Dan: Yes, we're hearing that there is a possible commissioner coming from the mayor's office. I heard that less than a month ago, possible recommendation.

Bill: It was Andrea?

Fraser: Andrea Gatt, yes.

Bill: Great.

Fraser: She used to be on the planning commission.

Bill: Right, but she is with child. So, she's taking a leave of absence.

Fraser: Okay.

Bill: And it's her first one, so she was deferring for twelve to fourteen months.

Fraser: Okay, thank you.

Bill: She didn't kibosh the idea.

Fraser: That's a no.

Bill: It's a no-, it's a deferred. I think she would be a huge asset to this organization.

OPEN MEETING MINUTES
HDC
OCTOBER 28, 2024

Board Chair Pazzi adjourned the HDC Meeting adjourned at 11:43 a.m.

Mike Pazzi, Board Chair

Daniel Nackerman, President, HAME

DRAFT

Housing Development Corporation

Staff Report

Report Provided by: Kristen Knecht

Department: Finance

Item: Resolution # 856-2024 FY24 Budget Amendments

November 25, 2024

Housing Development
Corporation



BACKGROUND:

HDC adopted the 2024 Consolidated Annual Budget (which included HDC) in September 2023 for the adopted budget beginning January 1, 2024 and ending December 31, 2024. Since then, patterns of revenue and expenses have become clearer. Therefore, we are providing a Budget Revision to more clearly show the current and year-end projections for 2024.

PROPOSED BUDGET REVISION CHANGES FOR THE HAME PORTION OF THE 2024 BUDGET:

The primary changes occurring since the adoption of the last budget revision are defined below:

1. **“Insurance”** was increased by \$4,500 to cover an increase in insurance premiums.
2. **“Non-routine and extraordinary”** expenses have increased at certain properties to accommodate CPTED (Crime Prevention Through Environmental Design) projects undertaken throughout the year. The original 2024 budget allocated \$700,000 for CPTED expenses in a capital fund category, as specific projects were not yet identified during the budget preparation process. HDC properties CPTED expenses are expected to end the year at \$25,963.

The overall net effect on HASLC and its affiliates for the 2024 Consolidated Budget Revision is a net impact of \$30,325 to the net residual receipts. This brings the projected net surplus to \$382,613 vs. the prior \$352,288 projected.

For HDC only the effect on the 2024 HDC budget is a net decrease of (\$30,963) to net residual receipts; therefore, a projected net deficit of (\$444,252) from an original budget of (\$413,289).

RECOMMENDATION:

Approve Resolution 856-202 to adopt amendments to the 2024 Budget Revision for the Housing Development Corporation.

January 1, 2024 - December 31, 2024			
FY24 Budget	HDC ORIGINAL	REVISION	HDC REVISED TOTAL
MAJOR ACCOUNT			
DESCRIPTION			
OPERATING RECEIPTS			
OWNER DISTRIBUTION	0	0	0
DWELLING RENTS	1,223,403	0	1,223,403
LEASE RENTAL INCOME	0	0	0
ADMIN FEE EARNED	0	0	0
INTEREST EARNED	35,282	0	35,282
MISC OTHER OPR INC	98,518	0	98,518
MANAGEMENT FEE INCOME	0	0	0
LATE CHARGES	3,800	0	3,800
MAINTENANCE CHARGES	6,512	0	6,512
LEGAL CHARGES	5,500	0	5,500
TOTAL OPERATING RECEIPTS	1,373,015	0	1,373,015
OPERATING SUBSIDY/GRANT INCOME	0	0	0
OPERATING RESERVE/MATCH HASLC/PILOT	0	0	0
TOTAL OPERATING SUBSIDY/GRANTS/CONTR EARNED	0	0	0
TOTAL HOUSING ASST PMTS ETC.	0	0	0
TOTAL AGENCY REVENUE	1,373,015	0	1,373,015
OPERATING EXPENSE			
ADMIN EXPENSE			
SALARIES	199,795	0	199,795
BENEFITS	66,370	0	66,370
NON-TECH SALARIES	0	0	0
ON-SITE MANAGEMENT	0	0	0
LEGAL FEES	4,447	0	4,447
TRAINING/TRAVEL	1,177	0	1,177
MGMT CONSULTANTS	243	0	243
TELEPHONE	11,004	0	11,004
ACCOUNTING FEES	45,403	0	45,403
AUDITING FEES	4,549	0	4,549
MISC SUNDRY ADMIN EXP	32,277	0	32,277
COMPUTER FEES	3,647	0	3,647
IT SERVICES	0	0	0
MANAGEMENT FEE EXP	109,841	0	109,841
OTHER CONTRACTS	0	0	0
TOTAL ADMIN EXPENSE	478,753	0	478,753
UTILITIES			
WATER	25,064	0	25,064
SEWER	23,559	0	23,559
ELECTRICITY	62,952	0	62,952
NATURAL GAS	65,535	0	65,535
TOTAL UTILITIES	177,110	0	177,110
ORDINARY MAINT			
LABOR	93,754	0	93,754
BENEFITS	24,920	0	24,920
SECURITY	0	0	0
MATERIALS	59,696	0	59,696
CONTRACTS	109,545	0	109,545
FLEET MAINT	4,992	0	4,992
TOTAL ORD MAINT	292,907	0	292,907
OTHER GENERAL EXP			
INSURANCE	37,831	4,500	42,331
PILOT	0	0	0
LAND LEASE RENTAL	0	0	0
COLLECTION LOSS	12,649	0	12,649
OTHER GEN EXP	6,534	0	6,534
PROPERTY TAX	0	0	0
DEPRECIATION / AMORT EXP	127,545	0	127,545
TOTAL GENERAL EXP	184,559	4,500	189,059
INTEREST EXPENSE	0	0	0
TOTAL MISC EXP	0	0	0
NON-ROUTINE MAINT			
CONTRACTS	5,000	25,963*	30,963
TOTAL NON-ROUTINE	5,000	25,963*	30,963
CAPITAL EXPENDITURES			
EQUIP REPLACEMENT	66,060	0	66,060
CONTRACTS-PROP BTR	639,060	500	639,560
DEBT PRINCIPAL PMNT	0	0	0
TOTAL CAPITAL EXP	705,120	500	705,620
OTHER EXP			
HOUSING ASST PMTS ETC.	0	0	0
DONATIONS	0	0	0
REPLACEMENT RESERVE	70,400	0	70,400
TOTAL OTHER EXP	70,400	0	70,400
TOTAL AGENCY EXPENDITURES	1,913,849	30,963	1,944,812
NET SURPLUS OR (DEFICIT)	(540,834)	(30,963)	(571,797)
PLUS: DEPRECIATION & AMORTIZATION	127,545	0	127,545
SURPLUS OR (DEFICIT) EXCL DEPRECIAMORT	(413,289)	(30,963)	(444,252)

RESOLUTION 856 - 2024

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING
DEVELOPMENT CORPORATION (HDC) ADOPTING THE HDC BUDGET
REVISION FOR CALENDAR YEAR AND FISCAL YEAR BEGINNING
JANUARY 1, 2024, AND ENDING DECEMBER 31, 2024.**

WHEREAS: the Housing Development Corporation has diligently prepared a Budget Revision for programs and projects whose calendar year begins January 1, 2024, and ends December 31, 2024 (the “2024 Budget”), which have been presented to and discussed with the Board; and

WHEREAS: the 2024 Budget Revision has been prepared in accordance with any applicable regulations, policies, and requirements of the U.S. Department of Housing and Urban Development, the State of Utah regulations and HDC internal policies; and

WHEREAS: the 2024 Budget Revision proposes expenditures which are necessary for the efficient and economical operation of all programs and projects of HDC; and

WHEREAS: the proposed 2024 Budget Revision will adequately fund operation of housing programs and does not provide for funding in excess of revenue.

NOW THEREFORE, be it resolved that the Board adopts the Housing Development Corporation 2024 Budget Revision as presented for calendar year and fiscal year beginning January 1, 2024, and ending December 31, 2024, a copy of which is attached to the original resolution.

Passed and approved this 25th day of November 2024.

Michael Pazzi, Chair HDC

Daniel Nackerman, Executive Director

APPROVED AS TO FORM:

Gilmore & Bell, LLC

Housing Development Corporation
Staff Report

Housing Development
Corporation

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



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

November 25, 2024

BACKGROUND:

The Housing Development Corporation (HDC) conducted a reconciliation of our uncollected receivables or 'bad debt' for all past due accounts *through July of 2024*. HDC usually incurs this debt when a tenant or participant leaves one of the many HDC programs owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, legal costs, or unreported income. There are also instances where a property owner is overpaid rental assistance payments and has not repaid the amount.

ANALYSIS:

This bad debt write-off includes debts owed to HDC through July 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. The charges related to the write-off are categorized below:

	Total
Rent	\$ 1,304.53
Maintenance	\$ 3,595.00
Legal	\$ 0.00
Other	\$ 0.00
Methamphetamine	\$ 0.00
Total	\$ 4,899.53

FINANCIAL IMPLICATIONS:

Staff are recommending a write-off amount of \$4,899.53. HDC procedure is to write off vacated balances over 90 days.

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

RECOMMENDATION:

A motion to approve the bad debt write-off amount of \$4,899.53 under the provision that collection attempts will continue internally and through NAR, our external debt recovery agency.

Housing Development Corporation
Staff Report

Report Provided by: Interim CFO, Kristen Knecht
Department: Finance

Item: Fiscal Year 2024 Financial Statements through September

November 25, 2024

Housing Development
Corporation



BACKGROUND AND METRICS:

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

HDC properties are reporting net residual receipts (income) of **\$312,989**, exceeding expectations by \$41,316. Year-to-date revenues for all programs and properties total \$1,106,675, with expenses amounting to \$793,686.

Nine months into the year, the two properties are in a healthy financial position. Casualty losses are related to a flood caused by plumbing issues at Ben Albert, for which we have submitted an insurance claim. This property has undergone significant updates over the past year.

ANALYSIS:

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

The attached financial statements show the comparison to the 2024 budget approved by the Board in September 2023.

Operating costs exclude depreciation, amortization, and capital expenses.

RECOMMENDATION:

Review and accept report.

HDC (.fs600)

Ben Albert and Riverside Apartments

Budget Comparison

Period = Sep 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3399-9999	999,519.11	950,058.72	49,460.39	5.21	1,266,745.00
3699-9999	107,156.24	79,702.47	27,453.77	34.45	106,270.00
3999-9999	1,106,675.35	1,029,761.19	76,914.16	7.47	1,373,015.00
4000-0000					
EXPENSE					
4112-9999	213,132.87	233,676.00	20,543.13	8.79	311,568.00
ADMIN PAYROLL					
4299-9999	121,064.14	125,388.81	4,324.67	3.45	167,185.00
ADMINISTRATIVE EXPENSE					
4339-9999	119,558.91	132,832.53	13,273.62	9.99	177,110.00
UTILITIES					
4419-9998	74,950.13	89,005.59	14,055.46	15.79	118,674.00
MAINT/OPER PAYROLL					
4429-9998	26,341.36	44,772.03	18,430.67	41.17	59,696.00
MATERIALS-ORD MAINT					
4440-9999	128,560.11	85,902.93	-42,657.18	-49.66	114,537.00 (1
CONTRACT COSTS-ORD MAINT					
4579-9999	42,242.70	37,860.03	-4,382.67	-11.58	50,480.00
OTHER GENERAL EXPENSE					
4599-9998	12,304.21	4,900.50	-7,403.71	-151.08	6,534.00
OTHER GENERAL, PROP TAX					
4610-9999	31,983.09	3,750.03	-28,233.06	-752.88	5,000.00
EXORD EXPENSES					
4629-9999	23,548.75	0.00	-23,548.75	N/A	0.00 **
CASUALTY LOSSES					
7999-9999	793,686.27	758,088.45	-35,597.82	-4.70	1,010,784.00
TOTAL EXPENSES					
8999-9999	312,989.08	271,672.74	41,316.34	15.21	362,231.00
NET PROFIT/LOSS					

The budget overage is primarily due to several unanticipated costs, including sprinkler repairs, landscaping improvements (such as the addition of trees), and elevator repairs. Additionally, there were increased expenses for additional extermination services and janitorial contracts.

** Ben Albert flood claim.

Housing Development Corporation
Staff Report

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

Item: Key Performance Indicators (KPIs)
October 2024

November 25, 2024

Housing Development
Corporation



Background:

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

Analysis:

KPI: Average Occupancy at the close of October 2024

Metric: >95% for stabilized properties

Average Occupancy	October
HDC	97.3

Move-ins	October
HDC	2

Move-outs	October
HDC	2

Evictions	October
HDC	0

KPI: Work order completion

Metric >90%

For the month of October 82% of work orders submitted in the reporting period were completed. The remaining 18% (14 work orders) rolled over into November.

Total Work Orders	October
HDC	77

Unit Turns Completed	October
HDC	1

KPI: Average Number of Days Vacant for March 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.

	October
HDC	29

KPI: Tenant Aged Receivables (TARs)

Metric: 4% of Potential Rent or less.

In the previous month, HDC had a rolling accounts receivable (AR) balance of \$3,145. We collected \$3,145 resulting in a 100% collection rate. HDC currently has two repayment agreements in place with 100% compliance.

For the month of October, the total reoccurring charges for HDC-owned properties amounted to \$116,205 with a 2% delinquency rate. At the end of October, the combined amount owed for HDC owned properties was \$2,501.

Financial Impact:

Account Receivables Owed

“Payback Agreements” reduce current rental collections, so they prevent evictions and subsequent costs.

We continue our efforts to assist residents by pursuing financial relief through prevention funding which comes from federal Emergency Rental Assistance (ERA) and Community Reinvestment Act (CRA) awards.

Action Recommended:

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

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