



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

ANNUAL MEETING:

Monday, January 27, 2025

11:00 am – 2:00 pm

WEB OPTIONS:

<https://housingauthorityofsaltlakecity.my.webex.com/housingauthorityofsaltlakecity.my/j.php?MTID=maff1e6f0253569a5d4702539f2657e2b>

OR

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

Meeting number: 2556 929 4651

Password: 1776

PHONE OPTION:

Dial 1-650-479-3208 Access Code: 2556 929 4651 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

One or more Board Members of HAME may participate via telephonic conference originated by the President 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.

BOARD MEETING AGENDA

- 1) **Roll Call**
- 2) **Election of Officers** (attachments) –*Board Chair/ 8 minutes*
- 3) **Public Comment** – *each participant will be allowed 3 minutes for comment.*

4) Motion to Approve HAME Open Meeting Minutes of November 25, 2024 (attachment)

Board Chair / 3 minutes.

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5) New Business

6) Introduction of New Employee(s): President, Daniel Nackerman and Deputy Director, Britnee Dabb / 5 minutes

Verbal

7) **ANNUAL ELECTION OF OFFICERS.** (attachments). *President, Daniel Nackerman; Board Chair, Mike Pazzi / 10 minutes*

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8) **CONSTRUCTION CONTRACTOR SELECTION FOR FAIRMONT HEIGHTS APARTMENTS, A 55-UNIT PROJECT, WITH PENTALON CONSTRUCTION.** (attachments). *President, Daniel Nackerman / 10 minutes*

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9) **FUNDING AND GOVERNMENT AFFAIRS CONSULTANT CONTRACT WITH GTC CONSULTING, INC.** (attachments). *President, Daniel Nackerman / 10 minutes*

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10) **DEVELOPMENT ACTIVITY SUMMARY.** (attachments). *President, Daniel Nackerman / 15 minutes*

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11) **CONSIDER AND ACCEPT FINANCIAL REPORTS THROUGH NOVEMBER 2024.** (attachments) *Deputy Executive Director, Kim Wilford and CFO, Jennifer Nakao / 15 minutes.*

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Reports

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

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7) Tentative Closed Session

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 privilege 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.

8) Adjournment

Housing Assistance Management Enterprise

Report Provided by: Board Chair
Department: Commission

OK



Item: Meeting Minutes of November 25, 2024

January 27, 2025

BACKGROUND:

Review and revise/approve meeting minutes from Open Meeting of November 25, 2024.
(Attached)

RECOMMENDATION:

Approve the meeting minutes of November 25, 2024.

DRAFT

HOUSING ASSISTANCE MANAGEMENT ENTERPRISE (HAME)

BOARD MEETING MINUTES

Housing Authority of Salt Lake City
Salt Lake City, UT

Monday, November 25, 2024
11:00 a.m. – 12:04 p.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 (via Webex)
Brenda Koga, Board Member

Board Members Excused

Phil Bernal, Board Member

Staff in Attendance

Daniel Nackerman, President, HAME
Kim Wilford, Deputy Executive Director
Britnee Dabb, Deputy Director
Paul Edwards, Agency Attorney
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

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

Roll Call of the Board Members present.

Public Comment

None

MOTION FOR THE APPROVAL OF THE HAME OPEN MEETING MINUTES OF OCTOBER 28, 2024.

The President of HAME has provided each Board Member with a copy of the written minutes of the October 28, 2024. The Board Members acknowledged they had sufficient time to review these minutes.

Board Chair Pazzi called for a motion.

Motion

Commissioner Clark made a motion to **approve HAME Meeting Minutes of October 28, 2024**. Commissioner DePaulis seconded. The motion passed unanimously with Board Members, Pazzi, DePaulis, Koga, Clark, Nelson, and Davis all voting in favor. There were no objections or abstentions.

- 1) Introduction of New Employees: Executive Director, Daniel Nackerman and Deputy Director, Britnee Dabb/ 5 minutes

Dan: We have several new employees that we've hired in the last month we'd like to introduce you to. I'll start with Lizabeth Reyes. Lizabeth has worked with us as a temp, which is a bad term, as a temporary employee with an outside agency for a long time, and she's now been hired as an eligibility specialist for our emergency rental assistance program as of November 1st. She's shown tremendous customer service skills, organizational skills, and reliability, and we've done a project to hire even higher (audio distorts). She had a 4.0 grade point average at Salt Lake Community College. She's worked for several companies, such as Global Transportation Management Solutions, Select Portfolio Servicing, etc. And she has done 12 projects for us, and we're just thrilled to make her more permanent, helping people who really need housing. She's not very shy and quiet, so I bet she might have a few words to say.

Lizabeth: I'm just happy to be here.

Bill: And she recognizes me now.

Lizabeth: Yes, I recognize you.

Josie: You walked in, and we both said, 'Oh wait, there's Bill.

Lizabeth: We were looking for you.

Dan: And similarly, we've had Josie DeJarnett as a temporary employee. Really, near the end of COVID is when we started to rely on some temporary agency employees. We've now made her permanent in the role of receptionist. Again, fantastic customer service skills at our very front desk. Also, think about how complicated our programs are and people like Josie have to explain these to the public and to applicants and to residents all the time. So, we're thrilled to have Josie on a permanent basis. She worked for Your Employment Solutions as a server specialist. She worked for the Post Office as a data conversion operator. She was an executive producer of Hello Sweetie Podcast network, and she has just been tremendous for us, so we're thrilled to make her permanent.

Josie: Thank you. I'm also very excited to be here.

Dan: She's not shy and quiet either. Next, as you know, we've been beefing up our real estate development team. We introduced one new team member at the last meeting, and we have a couple new members today. Siah Pascal Siabi has started as real estate development senior manager. Siah, I'll go through his education first. A master's in real estate development and design from University California Berkley, or UC Berkley, or Cal. It has many names. Also, Bachelor of Architecture from New School of Architecture and Design in San Diego. A very specialized, prominent architecture. He was the project manager for Contemporary Developments, a senior project manager at JLC Architecture in San Diego. He was an architectural professor, an instructor, for almost 3 years at New School of Architecture and Design. He acted as a construction administrator (technical issues). Next, we have Jason Morrow, (technical issues, sound was off) who has many accomplishments at the Everett Housing Authority, and we're thrilled to have him. He'll be, kind of, the leader of our new business area of real estate development. So, we're thrilled to have Jason. He's quite the world traveler too. When we were interviewing him, he said he just got back I think that I heard three months in Mongolia and then he asked about how flexible our schedules were. There are no three months in Mongolia. It turned out it was three weeks. We're thrilled to have Jason. We've got to know him already. He moved downtown just in the last week.

Jason: A couple days ago. Thanks very much. It's a pleasure to meet all of you, I look forward to talking further with all of you. I'm super excited to be here. From a development perspective, there's just so much activity and so much aspiration, it's really great. So, I'm just looking forward to working with the new team members and the old team members and executing for our clients. I've been working in the real estate

development field for a long time, but my real focus these days has been in affordable housing, and my aspiration really is just serving new clients. I have family who live in permanent supportive housing so,) very personal perspective, but I'm also a very outcome-oriented person too. Following through on the vision Dan and others and Jonathan have gone to the housing authority and hopefully, we can execute quickly and execute in a way that the city and all of you appreciate. So, thanks very much, appreciate it.

Dan: So, we were busy the past month with everyone. I think it bodes well for the housing authority to bring such qualified people in.

Mike: So, we're back to HAME, or you can just toggle. And we approve the minutes. We have the new employees, including the resolution. We have approved resolution 855-2024 to adopt amendments to the 2024 budget revision for HAME. So, we have some budget revisions that we're going to talk about

1) APPROVE RESOLUTION # 855-2024 TO ADOPT AMENDEMENTS TO THE 2024 BUDGET REVISION FOR HAME. (attachments) *Deputy Executive Director, Kim Wilford and Interim CFO, Kristen Knecht / 15 minutes.*

Dan: Just to open, the budget for 2024 was actually prepared in September 2023, a long time ago, and as we're about 75% of the way through on our budget tracking for the year, we thought it'd be prudent to update the budget. The four primary areas that we're changing are the rental income, some security contract costs. Sometimes we use security companies instead of receptionists/counselors at some of our homeless sites, and we did that a lot due to vacancies. Our insurance increased a little bit, by \$25,000 over the year. And then we have launched into a lot of crime prevention, physical improvements, also known as CPTED, and those have impacted our original budget. With that, I guess I'll turn it over to Kim to describe in more detail.

Kim: On the CPTED, we originally did budget \$700,000 in the agency-wide budget and it was not allocated to any properties. So, this revision is allocating those dollars to properties where we anticipate the expenditures to conclude by the end of the year. So, HAME's portion of that is anticipated to be \$144,441 and then we'll talk more about the overall picture in the housing authority. So, fact, the HAME budget is a decrease of \$607,000 to the net residual income. If you look on page 20, the first column, account description is the original HAME budget. You know, we need a magnifying glass to see. Then the revision column and the HAME revised total. So, we were anticipating \$1.3 million. We have a revision of \$607,000 with the end of the year anticipated \$715,922.

Dan: So, approximately \$13 million budget, we have \$607,000 less of the profit, if you will. I don't know if we can start calling it the profit. I know that Fraser would like to start calling it the profit.

Bill: It's extensive revenue (talking over each other).

Dan: Yes, there needs to be some kind of-,

Mike: Surplus.

Dan: Yes, surplus.

Kim: When we did present the budget back in September, we talked a little bit about when we present our budget, we include capital expenditures, and that in the HAME budget alone is \$891,000. Typically, those don't hit the P&L, they hit the balance sheet. So, we show it here as it's a reduction in our cash position essentially. I wanted to note that. Okay, any questions? Asking for approval of resolution 855-2024 to adopt the amendments to the 2024 budget for housing assistance.

Motion

Commissioner Clark made a motion to **APPROVE RESOLUTION # 855-2024 TO ADOPT AMENDEMENTS TO THE 2024 BUDGET REVISION FOR HAME**. Commissioner Koga seconded. The motion passed unanimously with Board Members, Pazzi, DePaulis, Koga, Clark, Nelson, and Davis all voting in favor. There were no objections or abstentions.

- 2) **AUTHORIZE THE PRESIDENT TO EXECUTE INSURANCE RENEWALS** with the HAI Group for insurance in the areas of liability, property, worker's compensation, automobile, etc... (attachments) *In House General Counsel, Paul Edwards/ 15 minutes*

Dan: This would be for HAME. In the body of the housing authority meeting, you'll see a lot more detail on our insurance renewals for 2025. We're doing much better than most housing authorities who have been shocked over the last two years of their skyrocketing insurance costs. Our insurance is managed by Paul Edwards, Steven Paul Edwards. And through HAI, which is a very large insurer of many, many housing authorities, we were saving a lot of money compared to prior years when we used, sort of, the Utah public version of this. With that, Paul, if you want to just hit some highlights. The tables in your report show some of the detail. Obviously, we have liability, property, excess, or umbrella insurance. Within those, we have a lot of specialized insurances.

Paul: Again, we'll get into a little bit more detail on the housing authority side because we carry more coverages through the housing authority because it covers a lot more of our operations and things like this. For HAME, primarily, the coverages, like Dan said, are property liability, and then we have an umbrella policy that covers the excess that come up. Looking at page-, well, it's marked page 22. It's the first page in this report. It's up there on the screen as well. Unfortunately, as you look at the bottom line for total premiums, it may appear a little bit misleading, so let me give context, just so you understand where we're at. It looks like the premium is fairly flat. Unfortunately, that's because there are some properties that get moved around off of each of those years. So, there are increases, but, for example, from last year to this year, when we renewed, they took a look at it and said, you know, Valor House, which has traditionally been under HAME, they felt like that should be moved over to the housing authorities, so we pulled that over. That accounts for some of the lack of significant increase there. And then likewise, the year before, because of requirements from the lenders on Capital Homes, that one got pulled off of HAME and moved to its own policy through that. So, you know, when you look at it and you think, 'Oh, well, \$84,000, \$86,000, that's not horrible'. Well, unfortunately, its coverages that are shifting just a little bit. They're not apples to apples because of that.

Well, the other thing I'll note is that insurance is very challenging right now. I've never had them be as detailed in the renewal process as they were this year. A lot of feedback, a lot of looking very carefully at individual properties, whereas before-, well, even with buildings within those properties, they would take, for example, the overall value of Canterbury. This time around, they wanted it broken down to say, 'Okay, well, what's the individual value of each building within that development?' So, a lot of scrutiny, a lot of adjusting in value, things like that, as we went through this. So, I do feel like we're pretty lucky. You'll note that in the notes, at the bottom of page 22, we had a 4.8% increase in general liability for HAME. Other housing authorities are seeing as much as, you know, 12%, 20% even.

Dan: And that would be apples for apples.

Paul: That would be more of an apples to apples.

Dan: The 4.8%.

Paul: Yes. Yes, so the 4.8%, that is if you're going for truly, like, how much did we increase? It was about 4.8%, and that is apples to apples. Going onto the second page

there, again, this is the property. There are a couple of shifts there. From '23 to '24, it actually looks like it went down a little bit. That's because we had to pull Capital Homes out and it's carried under its own policy. And then again, this year, there's only a slight increase. It would have been more, but we pulled Valor House out of HAME and into the housing authority. The one ray of sunshine, and I don't know why this missed the market, if you look at the excess liability, it did, in fact, go down by about eight thousand. And that is, you know, it really did drop down, for whatever reason, just the market. So, any questions? Noted, that's a very quick run-through. Yes?

Bill: What is the logic for moving, like Capital Homes out and other ones to the housing authority as opposed to leaving them here?

Paul: Sure. The Capital Homes one, the refinance on that from our construction lending for permanence financing, the lender, JLL, had a lot of extra requirements for that policy that didn't really make sense. It would have been very expensive to apply to the blanket policies on all of our properties. So, just for financial reasons, it made sense to carve it out and give it its own policy. I was frustrated at that because the year before, I had gone through the process of really integrating the policy. And then JLL came through and did their insurance audits and it just made sense to peel it back out. Again, on Valor House, they just looked at it and, you know, of course, it's associated with the BA, and just looking at the ownership on that one, they said, 'You know, that really ought to be under housing authority, not under HAME'. So, the insurance company kind of just forced our hand on that one.

Bill: So, did Capital Homes go from HAME to housing authority or is, like, a standalone.

Paul: It's its own now. It's its own standalone.

Bill: Right.

Paul: So, in addition to what you see here, the coverage we have on Capital Homes, altogether, is about an additional \$60,000 with the general liability, the property, and the excess liability altogether. So, that doesn't show up in these tables because it renews, kind of, midyear.

Bill: Where did we capture that in all of the-? It's just not in any of the tables. Is it, like, just totaling.

Paul: For accounting purposes, I think it would still-,

Mike: From an insurance perspective, it's separated out.

Bill: Right, but it's still included in the numbers.

Mike: But from an accounting perspective, it's all included.

Paul: It'd still be under HAME, yes.

Bill: Okay.

Kim: HAME is the managing member of the LLC. So, all of the financials are-,

Mike: And there isn't anything that would preclude them from throwing it back into HAME at some point?

Kim: On the insurance?

Mike: The property itself.

Paul: Correct. If at some point we can get it to where the lender doesn't have the extra requirements for Capital Homes that, kind of, causes us to peel it out, if we could get it back to, kind of, the same coverage, covers everything, I would love to put it back into the HAME blanket policy. But as it stands, it just didn't make sense. For the extra things that they wanted on that one, it didn't make sense to add it to everything, so we just carved it out.

Mike: How much influence would it have if you raised your deductibles, have you gone through that analogy?

Paul: We currently have a \$10,000 deductible. You know, I don't know what exactly the number would be, but yes, if you raise your deductible, that would bring the premiums down some. And it's a good point. Maybe it's worth taking a look at that analysis and, you know, saying, 'What are we paying out typically in deductibles versus what savings could there be?' It's a fair question.

Bill: But then normally, if you do that, you take the money you're saving and put it in, like, a sinking fund or something because, essentially, you're self-insuring for a larger amount.

Mike: Right. But I think, in our case, if you looked at the \$25,000 as an example, I mean, I don't think we're putting ourselves at excess risk necessarily.

Palmer: Yes.

Mike: And I would just love to know, again, does that save us 5%? Does that save us, you know, 2%?

Paul: Sure. It'd be an interesting analysis, I agree.

Dan: Let's do that calculation, just for long-term planning, and also to put HAI through some more hoops for the end of the year since they gave us these numbers so late. It'll be their penance.

Tess: Okay, two quick questions. Where is earthquake protection on this?

Paul: So, that's not included on here. The only building that we have earthquake protection on, again, is Valor House, and that's because it's required by our contract with the VA.

Tess: Okay.

Paul: We started to explore it for all of our buildings. Extraordinarily expensive.

Tess: Okay. Then the other thing is where is vandalism protection on this? What about while we are building? We're building all these new fancy places, right? Where is the protection about while we are building? What happens about while we're building? We have many, many opportunities about people breaking in and ruining our building while we are building. It's happening.

Paul: Sure.

Tess: I'm watching it physically happen while it's happening to buildings downtown.

Paul: Right. So, what we have-

Tess: Where is the protection for us, on our buildings, while we're going to be building?

Paul: Yes. So, on construction projects, we have several policies. It's called builder's risk.

Tess: Okay.

Paul: So, we secure the separate builder's risk policies, and they cover things like that. They also extend to things like-

Tess: Okay, but you're putting them on those then.

Paul: They're in their own policies, yes.

Tess: Alright.

Dan: And that's very-, not just common, but almost required on all.

Tess: Well, I know they're required. I'm just making sure the-,

Mike: (talking over each other) have any debt.

Dan: Yes, that's right.

Mike: The lender's (talking over each other).

Tess: I just know that sometimes, when you're putting on so many, sometimes it ups the policy. Well, I've had it happen when we've had to put so many policies on when we were building so many homes, our policy went way high.

Paul: Right, yes, but because during construction, there's a different set of risks and different-, I mean, you still have some, like you can still have a fire, you can still have, but there are other things like vandalism. You know, if you have materials that are stored somewhere else, those are subject to some risk. The builder's risk policies cover all those kinds of things. So, just like as we have, you know, financing for the construction phase of a building, we have insurance for the construction phase of the building. Once that's all done, that's when we roll it into our regular more permanent insurance coverage, just like we have more permanent financing coverage.

Tess: Okay.

Bill: Have we experienced, or have we filed, many claims for vandalism?

Tess: Yes.

Dan: We have a loss history that's considered, kind of, reasonable. They were mostly small kitchen fires. We've had a couple of-, this is over the past three years. We had a couple of floodings where pipes burst and flooded. So, we're considered still relatively low risk on our loss history. I would specifically check on vandalism, though, where that's covered. Not during construction phase, but otherwise.

Tess: Yes. I'm just wondering how many claims have we ever really filed. How many have we filed?

Paul: So, vandalism would fall under our property policies.

Tess: Yes.

Paul: Typically, because we have a \$10,000 deductible, most vandalism doesn't actually go above that value. So, we end up, you know, repairing that vandalism if it's whatever, and we end up absorbing that because it doesn't get above our deductible.

Tess: Okay. How many will you file for vandalism? But how many have we filed for property damage?

Paul: That, I've got a better way (taking over each other).

Dan: We have it at our fingertips, yes. I'll guess ten to fifteen over three years.

Paul: Like Dan said, the most prominent is like a kitchen fire. We've had three or four of those at various properties. And the thing that's frustrating with those is, you know, you walk in, you look at it, you think, 'Well, this shouldn't be too bad'. Well, the repair costs easily jump to \$100,000.

Tess: Yes, sometimes you think they're just cosmetic, but sometimes they're more internal.

Paul: Correct, yes.

Tess: We don't know about that. And sometimes those internal ones cause more damage over the long run if they're not taken care of properly.

Paul: Right. On the other side, on the liability side actually, knock on wood, we've been quite lucky. In fact, we just got an award about a month ago from HAI awarding us for our low number of complaints on the liabilities. So, that's slip and falls, things where

somebody's on our property, whether a tenant or a guest, you know, and slips and gets hurt or whatever. In the last year, I don't know we've had any of those claims. A couple of years ago, we had a couple involving sidewalks and things like that, but those all turned out to be, you know, no merit coming away. So, we do very well on general liabilities. We go through our property department for that, they're doing a good job keeping the sidewalks clear.

Tess: Yes, they do.

Paul: I think our CPTED efforts are helping there. So, you know, Vicci and your team are doing a great job there.

Tess: Just curious.

Paul: Yes.

Palmer: A question about-, I know Zac gives us a report all the time on the meth stuff where it creates huge cost for us. Is there any insurance that's available, or is it worth it?

Paul: Well, whether it's available, I'm not sure. In our current policies, they are specifically carved out and they say, 'We won't cover'. Again, they typically don't go over \$10,000, I don't think, or if they do, it's close. Under our current coverage, if we had those coverages, it wouldn't go above our deductible so we would end up, you know, still taking that hit ourselves. I haven't explored to see if there is, you know, separate coverage to cover and stuff like that. We could look into that. I'm concerned what the cost would be, but it's worth looking at.

Dan: Let's look into that too. I think we're unusual. Again, we've talked about this, a lot private landlords ignore, meaning it costs them a lot so they just look the other way, especially when somebody moves out and you need someone to move back in. So, with things like lost rent and physical costs, I think it's worth looking into.

Paul: Sure, totally.

Dan: We'll present it to the board.

Paul: Yes, I'm glad to bring those numbers back.

Bill: As far as vandalism goes, since we're essentially self-insuring it, it would seem to me that if it ever really became a huge problem, it might be cost-effective just to hire security at the building site. You know, you've got to pay for the security, but it's probably less than paying to repair the damage. But then it's not like it's (inaudible).

Tess: I'll just stay there.

Dan: So, we're recommending that the board authorize HAME to contract to renew its insurance program as outlined for the above. And then I'd like to add a word to that with authority to reasonably adjust as needed instead of adjust as needed.

Mike: So, do I have a motion?

Motion

Vice Chair Davis made a motion to **AUTHORIZE THE PRESIDENT TO EXECUTE INSURANCE RENEWALS** with the HAI Group for insurance in the areas of liability, property, worker's compensation, automobile, etc... Commissioner Clark seconded. The motion passed unanimously with Board Members, Pazzi, DePaulis, Koga, Clark, Nelson, and Davis all voting in favor. There were no objections or abstentions.

- 3) **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.*

Kim: Well, this is the reconciliation of our uncollected receivables, our bad debt, through July 2024. So, we write off our bad debts after 90 days delinquent so that would be through October 31st. This is for debts owed to HAME for rents of \$1,667, maintenance of \$3,732, or a total write-off of \$5,399. We do continue to take action to collect insurance after the write-offs take place, and we're asking for a motion to approve the write-off for \$5,399 with the provision that we continue collection efforts.

Mike: Hear a motion?

Brenda: I have a question. So, there's no meth write-off?

Vicci: Yes, this time we did not have any Meth in HAME. We did have some maintenance costs that were related to biohazard for someone that went to a care center, but we did not have any meth-related costs for HAME specifically.

Brenda: Okay.

Motion

Vice Chair Davis made a motion to **AUTHORIZE WRITE-OFFS OF CERTAIN ACCOUNTS AND BAD DEBT THRU JULY 2024**. Commissioner Koga seconded. The motion passed unanimously with Board Members, Pazzi, DePaulis, Koga, Clark, Nelson, and Davis all voting in favor. There were no objections or abstentions.

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

Dan: This is through 75% of the fiscal year. It covers fifteen properties or 943 units through the HAME area and the HAME entities. It's separated into first paragraph is all of HAME, next is the actual HAME-owned properties, the third is the management fund of HAME, and finally, the homeless properties. In each of the four, and overall, the net residual income is less than projected through the year, but it's still at \$1.522 million. In fact, it's significantly less, by almost \$300,000, than what was projected during the budget. The big hit there are the vacancies at Sunrise. As we've gradually emptied out Sunrise, we've lost a lot of rent, as you might expect, emptying it out for a total rehab. On the owned properties, there's a net residual income of \$1.421 million, almost identical to our original budget. Under the management fund, a net residual income of \$117,000, slightly under our anticipated amount. And then on homeless properties, we continue a net residual loss of \$117,000. This is a variance to the budget projected income of \$73,000. So, we've lost a lot of money in the homeless properties through 75% of the year, the spread. And we also did not budget very well at the beginning of the year. That's the fourth paragraph down, under Homeless Programs. Overall, it's still a very strong program and we're recommending reviewing and accepting the report, unless there are any questions or anything Kristen or Kim wants to mention.

Bill: I have a question.

Mike: Shoot.

Bill: When we were doing the budget projections for this year, and it certainly looks like it's already been included, but were we dropping them knowing that our vacancies at Sunrise would be going up?

Dan: No, we didn't anticipate that in our budget last September. I think we didn't have the tax credits yet. In fact, it really wasn't even a project yet. We knew the tax credit period was ending. Most of these tax credits have about a fifteen-year window of tax advantages for the investors. And we knew that was coming, we just hadn't decided what to do with the property yet. Some owners actually turned them more towards market rate. In our case, we chose to, I guess you'd use the term re-syndicate. And we were successful in getting the 9% credits. We did, however, start freezing vacancies way earlier, freezing meaning don't move people in once someone moves out, because it creates such a better situation when it comes time for relocating. So, we're taking our medicine early.

Bill: Right. And now that I'm looking, it does look like that it wasn't anticipated and (talking over each other).

Dan: Yes.

Kim: It wasn't in the budget revision that we've brought, not included in these financial reports that will account for (talking over each other).

Dan: So, the brand-new budget revision you just approved is not yet reflected in these monthly statements?

Mike: Right. So, I don't think-, do we need an approval on that?

Dan: No

Palmer: So, yes, I just had one. So, on the homeless program, there was a footnote about Sunrise having higher than anticipated extermination issues.

Vicci: We've spoken about this a little bit as it comes through, but we've had some roach issues over there that we're being persistent on taking care of. And that's through the relocation and everything. But we did not anticipate as much extermination in that property as-,

Palmer: Has that been a common thing? Is it only there?

Zac: It seemed to come back. It was pretty common in the early days of Sunrise with the old shelter where people were coming with roaches and bedbugs. And then it kind of waned off for a while, and now we're seeing that rise again with roaches and bedbugs.

Palmer: Wow.

Vicci: We've been really aggressive with it as well, like I said about the relocation, because we're just trying to get it to a zero. We've had brand a new construction project going on and we've moving everyone, so we've been really aggressive at taking care of that.

Palmer: Do you have to move people out to do that, or is that something you can just do to the facility and it doesn't affect any of the-?

Zac: No, we don't move people out to treat for roaches.

Mike: Their urine might be blue for a month or so.

Dan: So, some bedbugs, we have to move people out for a day or two.

Palmer: Okay, thanks.

Bill: Would they just go to vacant rooms, or they stay in a hotel? What is it?

Zac: Typically, we'll try to relocate them temporarily into a vacant room. But like Dan said, we'll try to have it finished by end of the day. And then oftentimes, you'll have to treat more than once.

Dan: Interesting fact, we have some bake rooms, I think we call them. When people are moving in, we actually bake their belongings, primarily for bedbugs and other types of creatures.

Bill: What temperature?

Dan: Not sure what temperature.

Zac: 160 and 180.

Vicci: Yes, about 170.

Dan: That was considered very progressive at the time.

Bill: I could deal with cockroaches. I'm friends with bedbugs though.

Mike: It's wonderful.

Palmer: So, did we have a motion on it, or is that just to consider?

Mike: We don't. To consider.

Palmer: Okay.

Motion

No motion needed, only to Consider and Accept the report.

REPORTS

A) Key Performance Indicator Report, Property Mgmt.: Deputy Director, Zac Pau'u

Zac: Commissioners, we closed the month of October with an average occupancy of 95.7. Our work order completion KPI is at 90% and we can close the month at 94%. On the days vacant, this is an error on my part, it's a typo. It's supposed to be 38 days vacant, not 88.

Tess: Thank you.

Zac: My apologies on that. On our potential rent loss, our KPI is at 4%, which we did hit.

B) Activity Development Summary: President, Daniel Nackerman

Daan: Quick overview of our real estate development activities. Atkinson Stacks, as you know, is new construction of 9%. On those metrics I wanted to add before we go on that, Commissioner Nelson requested that we, kind of, refine how we've determined our metrics that we're measuring ourselves. Not just Commissioner Nelson, but also-,

Tess: And me too.

Dan: Commissioner Tess. So, we've done that work and we'll report it out at the next meeting. You know, things like 95% vacancy or average turnaround days. There are a lot of industry standards we'll bring to the board. They weren't our (audio distorts). But on the development report, Atkinson Stacks is a little bit behind schedule. That's new construction. We're ramping it up now. The architect was going to, kind of, do that as a two-phase project between Sunrise and Atkinson and we've told them no, we're going to go full speed ahead on both. On Sunrise Metro, a reminder that GIV Development is our turnkey developer without any investment or much risk in the project, except what Clay has put into the agreements.

Bill: And that's for us. That's for us.

Dan: No risk for GIV. Drawings are pretty much complete. The project as a whole is still beyond schedule. However, a major, major issue we've recently solved regarding the timing of the \$9 million grant that's coming from the state, there were some really frightening times where we thought the time frame of that might be-, but we've now solved it with the state, and we have an extension. Dirks Field is the project right over here by the ballpark, 55 units. Jonathan and Kim and others have done a great job of bringing the financing close to fruition. The board has approved the general contractor last week, or last month, for that project. Pharos Apartments we're really struggling with financial sources for that project, and we applied for a \$3 million Federal Home Loan Bank. The RDA gave us \$880,000, but we really need a new strategy to fill in the rest of that financing. That would be, kind of, our project that we really need to focus on getting it rolling.

Mike: What's the gap?

Dan: Gap is..

Jonathan: That's if we utilized a traditional loan with the project-based vouchers on (audio distorts).

Mike: More conventional loan.

Dan: Northwest Pipeline, very large projects. We are deeply involved in negotiating with the city on the leasing and purchasing. The architect for the historic building is doing quite well on schedule. We have some new preliminary funding applications we made, as you remember from the last meeting as an example. There's a lot of hazardous material testing and managing going on. And in the last week or so, a reminder that we put out a request for proposals for the rest of the architecture engineering beyond the historic building. Those proposals are coming in now and being judged by a panel and we'll be recommending an architect. And it's a multi-million-dollar contract. We'll be recommending an architect engineering firm at the next board meeting. We may even have to have a special meeting if anyone's in-state and wants to spend twenty minutes talking about it. We're very thrilled-

Mike: That's your twenty minutes, right?

Dan: That's right. That's right.

Dan: So, I was going to comment on the eleven firms that applied, and all very high quality, but I don't want to waste time.

Mike: But starting with number one.

Dan: Yes, that's right. Fairmont Heights, 55 units for seniors and another 55 coming shortly thereafter. Everything's going swimmingly on that project. We're likely to even own the land and the office building near the end of the year or at the beginning of next year. A lot of legal work to do. And then rumors are abound that Sunday Anderson Senior Center is coming back as a request for proposal very soon. Mansel Manor is rolling again after inactivity for a lengthy period of time. And Bradford House, 46 units, we're a 20% partner in that and its construction is pretty much complete and is starting to lease. Alliance House, we helped get those sixteen vouchers, and that project had a groundbreaking. We're not very involved in the actual construction or leasing or anything like that.

I wanted to point out a very rough draft, and I mean very rough, of our overall pipe minor projects is attached. This came at the request of Palmer, Fraser, and Bill as part of the development, real estate development, committee. So, we might spend a moment on that chart. Again, it's a very rough draft, but it does show how busy we're going to be. And these are all real projects with funding, except for Jefferson Circle. So, we've narrowed it, very simply, to pre-development and financing in the (audio distorts), which doesn't show much on your copies, but sometimes that can be a couple of years, the pre-development of financing. Then groundbreaking, which is the ultimate test on whether a project is real, or usually is. And then ribbon cutting, which is the ultimate test that a project is done. Well, done as far as construction done. So, this could be much more complicated and sophisticated, but those are some milestones that really make a lot of sense. You know, there's about a two-year period between starting construction and ending, just generally. So, it shows 93 units at the bottom when the units are arriving, which is important to the community and to just our master of housing people. So, after a few years of relative inactivity, we have all of these projects lined up and pointed towards success. The number of units arriving per year average about 137 per year if you go from 2022 to 2029. And the real estate development committee is going to work on suggestions with the board. I don't want to speak and take Bill's report, but there'll be some suggestions on how to fill in around this.

Bill: It looks like 2026 is going to be a banner year 2027.

Dan: Which are right around the corner. And a bunch of groundbreakings next year. The growth has been separated into the three buildings that we'll be building. The first one on the left is the New Pipeline. It's called the New Pipeline Building, that's the historic building. Then the Hawthorn Building is one of the Grove buildings, 81 units. And the Lupine Building is for 100 units. And they really are financed separately, even though we're trying to mash them together as much as possible there. Separate financing, separate construction contracts.

Bill: Mansel Manor, you said it's not moving again. It's the first thing that's critical for the re-zone.

Dan: Yes.

Bill: Because usually, re-zones, they're a year and a half normally (audio distorts) council. Where are we at in the re-zone?

Dan: We just restarted with the architect who had started the process a couple of years ago. I don't think the applications have actually been made yet for re-zoning.

Bill: I'm wondering if since it's Salt Lake City and we're in the housing authority of Salt Lake City, I think that we're completely separate institutions. Is there a way for us to fast-track that? Actually, Palmer might know this. Yes, (talking over each other) this is the common good and can we get this done?

Palmer: Have we submitted it?

Dan: It has not been submitted.

Plamer: So, that's the issue. We can't hurry something if it hasn't been submitted.

Dan: Right, but once it's submitted, maybe (talking over each other).

Palmer: Yes, then you can.

Dan: Yes, there were early discussions about trying to do it as a planned unit development, or PUD, which does save some time. But we get the message, we need to be as aggressive as we can, which every other developer that's re-zoning-, not that we won't push, but they're often paying interest on their land and things like that, just to show you our competition. And the city is always working on something more streamlined in all of those areas.

Mike: Well, I think it's a great. So, I applaud the errors that we've made, that's going to help, I think, a lot. So, is there any reason for us to go into a closed session?

Dan: No.

Mike: Okay. So, I would support adjournment.

Bill: And let me jump in one more time. Fraser said something and I realized that I didn't scroll down far enough, but I think we briefly talked on it. She was suggesting that the conference her and Tess attended...

Tess: Nan McKay

Bill: Yes, or maybe Dan had mentioned it So, maybe we're picking that up (talking over each other).

Tess: Yes, I'm trying to.

Bill: Okay. It's putting you on the spot, have Tess describe it.

Bill: That's the other thing. Scroll to the bottom. And she asked, and I think you answered it, Dan, about Sunrise Metro, but I can't remember your answer. Well, two things. Why didn't we budget the losses on Sunrise Metro?

Dan: It wasn't a project that lasted.

Tess: It was within a twinkle in our eye.

Bill: Right, right, right. And then the other thing was the strategic plan, which I think we can just pick that up.

Dan: Yes, we have that in your report.

Bill: Okay.

Tess: Yes.

Bill: I'm doing a report.

Dan: Yes.

Bill: That's news to me.

Mike: Okay, let's move to Housing Development Corporation.

Board Chair Pazzi adjourned the HAME meeting at 12:11 p.m.

Mike Pazzi, Chair

Daniel Nackerman, President

Housing Assistance Management Enterprise

Report Provided by: Board Chair ✓
Department: Board of Directors



Item: Annual Election of Officers

January 27, 2025

BACKGROUND:

Pursuant to the adopted Bylaws and amendments of the Housing Assistance Management Enterprise the Board members shall elect Officers, Vice Chair and Chair respectively, at the Annual Meeting which is today. Note that the President of HAME is the Secretary per the Bylaws.

Excerpts for the guidance contained in the Bylaws is attached (Attachment A). A recent history of Officers and timelines is also included for your reference (Attachment B).

PROCESS:

- 1) I will open the floor for nominations.
- 2) After receiving nominations, we will likely engage in discussions.
- 3) I will receive or place a name for consideration for Vice Chair. When (if) seconded, we will open for further discussion, then upon a reasonable completion of discussion I will call for the vote.
- 4) If a majority is not confirmed, we will consider a second nomination and so on and so forth.
- 5) We will repeat the process above for Chair.

CONCLUSION:

At the conclusion of the process, we will acknowledge the 2025 Chair and Vice Chair who will then immediately begin serving their duties.

ACTION RECOMMENDED:

Conduct the election of the Chair and Vice Chair for 2025 and announce the new Officers.

**FIRST AMENDED AND RESTATED
BYLAWS OF
HOUSING ASSISTANCE MANAGEMENT ENTERPRISE**

**ARTICLE I
NAME AND OFFICES**

Section 1.01. Name of Nonprofit Corporation. The name of the nonprofit corporation shall be Housing Assistance Management Enterprise (the "Nonprofit Corporation").

Section 1.02. Offices. The principal office of the Nonprofit Corporation shall be located at 1776 South West Temple, Salt Lake City, Salt Lake County, Utah, or at a place as the board of directors of the Nonprofit Corporation (the "Board") may designate. The Board shall have the power and authority to establish and maintain a branch or subordinate offices at any other locations.

**ARTICLE II
BOARD OF DIRECTORS**

Section 2.01. General Powers. The business and affairs of the Nonprofit Corporation shall be managed by or under the direction of the Board.

Section 2.02. Number, Tenure, and Qualifications. The Board of the Nonprofit Corporation shall consist of (i) the same number and members of the board of commissioners of the Housing Authority of Salt Lake City, a Utah public body corporate and politic (the "Authority"), as may from time to time be appointed and serve ("Authority Directors") and (ii) up to two (2) additional board members who are citizens of the State of Utah but not members of the board of commissioners of the Authority ("Public Directors," and together with the Authority Directors, the "Directors"). The term of each Authority Director shall be the same as the person's term of office as a commissioner of the Authority. The term of each Public Director shall be for four (4) years, and each Public Director may serve up to two (2) full terms, and the two (2) full terms shall be in addition to any partial-term served to fill a vacancy.

Directors shall be residents of the State of Utah, but need not be stockholders of the Nonprofit Corporation. The Public Directors may be recommended by the Nonprofit Corporation's chairperson or president and elected by Board decision.

Section 2.03. Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting called for that purpose.

Section 2.04. Compensation. By resolution of the Board, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board, but shall not be paid for attendance

Housing Assistance Management Enterprise (HAME)



Staff Report

Report Provided by: Daniel Nackerman

Department: Executive

Item: Construction Contractor Selection for Fairmont Heights Apartments, a 55-unit project, with Pentalon Construction.

January 27, 2025

BACKGROUND:

A reminder that Fairmont Heights is a new project with phase 1 at 55 units on .81 acres in Sugarhouse – most or all funding designated.

Drawings and specs are 60-70% complete so we placed a Request for Qualifications (RFQ) for General Contractor out for proposals on 11/21/2024. RFP responses were due by 12/27/2024.

This report describes the General Contractor selection process to 1) Rank the Firms, and 2) Select, further negotiate, and award an initial contract for the project to Pentalon Construction if all goes well.

PROCESS:

With regard to the General Contractor RFP process, on 11/21/2024, a Request for Qualifications for CM/GC for Pre-construction and Construction Services was widely advertised to the public and direct solicited to six General Contractors in compliance with applicable procurement policies and regulations.

The RFP closed on 12/27/2024. Six proposals were received by the deadline and qualifications were ranked per the RFQ qualification criteria (experience, similar projects, capabilities, estimated cost, etc.) After a leveling exercise, 3 firms were deemed highly qualified and another round of qualification interviews was conducted by 5-6 members of HASLC and partner Lincoln Avenue Communities.

RESULTS:

The firms were then ranked for final negotiations as follows:

1 Pentalon Construction

2 Bonneville Builders

3 Kier Construction

Preliminary estimated costs ranged from \$19 million to \$35 million and the ownership team is comfortable that a final contract cost (Guaranteed Maximum Price) will be towards the lower range of the estimates after value engineering, completion of plans and specs, and major subcontractor costing in a somewhat soft market.

RECOMMENDATION:

Authorize the President of HAME, working with partner LAC, to determine and publish the ranking of General Contractor Qualifications and to negotiate with the top-ranked firm for a contract. If negotiations are not successful the second-ranked firm will be contacted, and so on and so forth. The final executed contract will be forwarded to the Board.

Housing Assistance Management Enterprises **Staff Report**

Report Provided by: Dan Nackerman, President
Department: Executive



Funding and Government Affairs Consultant Contract with GTC Consulting, Inc.

January 27, 2025



BACKGROUND:

Staff requests the Board's approval to engage a Funding Consultant / Lobbying Firm for housing projects and programs, with authority for HAME's President to negotiate and enter into a contract for those services not to exceed \$195,000. HASLC/HAME had engaged two other firms over the past few years for lobbying services where the scope was much broader. The work and results from those firms were not satisfactory. Those contracts have ended. This request represents a new course with a more limited scope focused on attaining funding more directly, primarily by HAME but with a possible connection to HASLC.

PROCESS:

HAME published a Request for Qualifications (RFQ) on December 18, 2024. RFQ #24-016 was published on HASLC's website and the State of Utah's public procurement website (U3P) where it was accessible to 3034 vendors in relevant categories. (A copy of the RFQ is available for the Board Members' review.) Six firms initially indicated an intent to submit proposals. However, only one firm, GTC Consulting, Inc., based in Sandy, Utah, submitted a proposal by the January 13, 2025 deadline.

RESULTS:

GTC Consulting has the desired qualifications. It has experience in public policy advocacy and funding acquisition in the State of Utah, with a background in housing and infrastructure development solutions. GTC's principal, Greg Curtis, has over three decades of legal and legislative experience. He spent 14 years as a member of the Utah House of Representatives with leadership roles including Majority Whip, Majority Leader, and Speaker of the House. Mr. Curtis' work included a focus on transportation and transit funding. Before that, Curtis worked for Salt Lake County advising then-Mayor Nancy Workman on policy and legislative strategy including initiatives such as establishing the Unified Fire Authority (UFA). As a private consultant, he has represented various governmental bodies to private entities and nonprofits, including a significant role in securing state and local funding for essential transportation infrastructure projects in Salt Lake County.

SCOPE:

The funding consultant and lobbying firm will perform the following services as an independent contractor:

1. Represent HAME's funding priorities to state, county, and city agencies, elected officials, and their staff.
2. Identify, advise on, and develop strategies for securing funding opportunities at the state, county, and city levels for housing programs, housing-related infrastructure, and economic development projects.
3. Assist HAME with applications or other processes to secure identified funding opportunities.
4. Obtain support from key agencies and elected or appointed officials to advance HAME's funding goals.

5. Analyze and advise on state legislation, local policies, and regulations that may impact HAME's priorities.
6. Provide regular briefings to HAME's President, Staff, and Board of Commissioners, as requested.
7. Submit written reports outlining activities and progress as appropriate or requested by HAME.

The consultant will initially target funding this current legislative session for infrastructure assistance to "The Grove" project. Other funding from public entities is expected throughout 2025 and early 2026.

TERM:

The anticipated contract will be for a one-year term.

FINANCIAL IMPACT:

The value of this contract would be between \$120,000 and \$195,000, disbursed in retainer and milestone payments as indicated on the attached term sheet.

RECOMMENDATION:

Staff requests Board Approval authorizing HAME's President to negotiate and execute an agreement with GTC Consulting, Inc., to provide government affairs consulting services for HAME's development projects and programs with a scope as indicated herein. The minimum cost of the agreement will be \$120,000, with a maximum cost of \$195,000, depending on performance and funding attainment results.

Government Relations Consultant Term Sheet

Contracting Entity

Housing Assistance Management Enterprise (HAME)

An instrumentality of the Housing Authority of Salt Lake City (HASLC)

Address: 1776 S. West Temple, Salt Lake City, Utah 84115

Purpose

To engage a government relations consultant to advocate and lobby for state, county, and city funding goals and priorities in support of HAME's affordable housing development and program initiatives.

Term

The contract will be for a period of one year.

Compensation and Payment Schedule

The total contract value is \$120,000 minimum and \$195,000 maximum, disbursed in retainer and milestone payments as follows:

1. **\$10,000 upon contract execution.**
2. **\$10,000 retainer per month after contract execution (\$110,000)**
3. **\$50,000 on or about April 1, 2025.** This milestone payment will be triggered by the initiation of the administrative process for negotiating the terms for allocation of the appropriated funding in the post-legislative session budget process or other interlocal agreement approval processes with the respective government entities. Consultant will lead the process on behalf of and in support of HAME.
4. **\$25,000 upon execution of any significant funding agreements among relevant government entities.**

Scope of Services

The government relations consultant will perform the following services as an independent contractor:

1. Represent HAME's funding priorities to state, county, and city agencies, elected officials, and their staff.
2. Identify, advise on, and develop strategies for securing funding opportunities at the state, county, and city levels for housing programs, housing-related infrastructure, and economic development projects.
3. Assist HAME with applications or other processes to secure identified funding opportunities.
4. Obtain support from key agencies and elected or appointed officials to advance HAME's funding goals.
5. Analyze and advise on state legislation, local policies, and regulations that may impact HAME's priorities.
6. Provide regular briefings to HAME's President, staff, and Board of Commissioners as requested.
7. Submit written reports outlining activities and progress as appropriate or requested by HAME.

Insurance Requirements

The government relations consultant/lobbyist must maintain the following insurance coverage and list HASLC as an additional insured:

- **Workers' Compensation:** Statutory limits, to the extent required by the State of Utah.

- **Professional Liability:** \$1,000,000 per claim and \$1,000,000 aggregate to cover negligent acts, errors, and omissions.

Performance Monitoring

The lobbyist's performance will be reviewed periodically to ensure alignment with the agreed-upon goals and deliverables. Milestone payments are contingent upon satisfactory performance and achievement of specified objectives.

Approval and Execution

This term sheet and scope, including a recap of the RFQ process, will be presented to the Board of Commissioners of HAME and the Housing Authority of Salt Lake City for review and approval. Upon approval, a formal contract incorporating these terms will be drawn up and executed.

Housing Assistance Management Enterprise **Staff Report**

Report Provided by: Dan Nackerman
Department: Executive



Item: Report - Development Activity Summary

Date: January 27, 2025

BACKGROUND:

HASLC, HAME, and HDC have been actively developing, purchasing and selling multi-family apartment complexes for many years. Following is a summary of our projects as they now stand:

Projects Underway:

Atkinson Stacks:

This project consists of 98 new construction units in a high-rise configuration that utilizes some of the parking area of the current Sunrise Metro property. The project will be 100% Permanent Supportive Housing (“PSH”). The project is fully funded with a combination of a \$9M State Office of Homeless Services (OHS) grant and Low-Income Housing Tax Credit (LIHTC) funding approved in the 2023 round.

GIV development is our “turnkey” developer – without investment or much risk in the project. Architecture, construction estimating, and final financing with formally selected lenders are currently underway. Drawings and specifications are nearly complete on the renovation portion of the project and progressing for the new construction portion of the project.



Status Update:

- Permit drawings to be submitted by February 2025
- Debt and equity selected
- Anticipated construction start in Summer 2025

Sunrise Metro Renovation and Expansion:

Sunrise Metro is currently out of its initial tax credit compliance period (15 years) and is in need of renovation and upgrades. In a dual application for LIHTC funding (combined with Atkinson Stacks above), Sunrise Metro received a tax credit award in 2023 to fund the rehabilitation. Also, when Sunrise was originally designed, it had an option to add 18 units to the South side of the building, which we will

now take advantage of to increase the number of units at Sunrise from 100 to 118. In addition to the new units, the entirety of the building will receive substantial rehabilitation, upgrading systems, flooring, windows, and other aesthetics bringing the building up to date and allowing for many additional years of service.

Similar to Atkinson Stacks, most or all of the funding is in place. GIV development is our “turnkey” developer – without investment or much risk in the project.

Note that the drawings and specifications are nearing 98% completion, but the project as a whole is behind schedule



Status Update:

- Permit drawings submitted
- Construction start anticipated for Spring 2025
- Tenant relocation has commenced
- Debt and equity providers selected

Dirks Field Apartments:

A planned 55-unit site is fully assembled and permits ready. Procurement for a General Contractor (GC) is now complete, and the primary lender (HUD/JLL) is quickly completing the loan under a more expedited process.



Status Update:

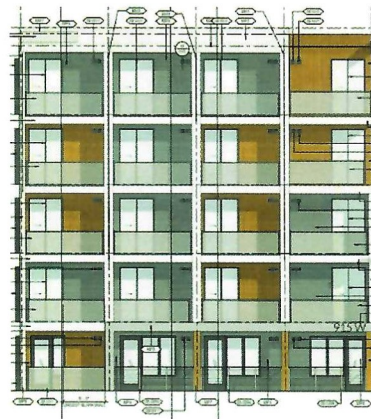
- HUD/JLL loan process underway
- New concerns have arisen on the loan sizing and some assumptions. Staff is working through scenarios with JLL to strengthen the application prior to submittal.

Pharos Apartments:

Pharos is also completely designed and close to permit ready. We have applied for approximately \$3.0 through a Federal Home Loan Bank grant. Awards are made at the end of the calendar year, leaving some uncertainty in construction timing. Note also that Pharos received a low interest loan from the City RDA for \$880K.

The financing approach changed again recently and a new strategy is needed.

The demolition of the existing structure on the site recently took place after many delays.



Status Update:

- Currently assessing a revised financing strategy.

Northwest Pipeline Building (The Grove):

The project has been named “The Grove”. The current configuration includes a renovation of the historic Pipeline building, two (2) new mixed-use apartment buildings and a parking garage. This includes about 265 units, 208 parking stalls, commercial/retail space and public green space.

Financing is likely to include Historic Tax Credits, 4 and 9% LIHTC, City funding, County funding, federal transportation funding, federal hazmat remediation funding, and other smaller sources. The overall partnership structure includes HAME at 60% ownership; Xylem Projects, LLC at 35%; and Common Grounds Institute at 5%.

After selection and award to HAME, the project team is advancing negotiations with the city, performing community outreach, assessing the existing conditions, applying for partial funding, and launching the project programming and ultimate approvals for the historic building.

More detailed activity is underway including legal negotiations with the city on leasing/purchasing; contracting with architect/engineer for the campus; preliminary funding applications; historic approval processes from multiple entities; hazardous materials testing; etc.



Status Update:

- Continued collaboration with City on land acquisition and design programming
- Schematic Design phase near completion for the Northwest Pipeline Building
- PSA has been executed for the Northwest Pipeline Building
- Negotiation in process for Architecture/Engineering procurement specific to the vacant land portion of the site
- Continued pursuit of multiple funding and debt sources including application submittals for several sources

Fairmont Heights Apartments:

55 new units for seniors are initially planned with another 55 in future phases. The significant regional project has been selected by the Utah Housing Corporation for 9% LIHTC funding after a fiercely competitive round of applications. HASLC has contributed \$100K in earnest money, in addition to \$275K from our partner Lincoln Avenue Capital, to execute the option to purchase land in “central” Sugarhouse for the 110 units of affordable senior housing. “The City” has approved approximately \$6,640,000 of very low interest financing towards the land purchase.



Further community planning, architecture/engineering, and final project programming are now underway. RFP’s will be issued soon for a General Contractor and for various financing entities.

Status Update:

- Land closing to occur in early 2025
- Contractor procurement selection is imminent
- Debt and equity RFP has been issued
- Design Development phase of design in progress
- OWHLF funding confirmed

Preliminary Projects:

Sunday Anderson Senior Center:

HASLC staff completed and submitted a proposal to “the County” that included a full build of a new senior center along with 65 units of integrated senior housing.

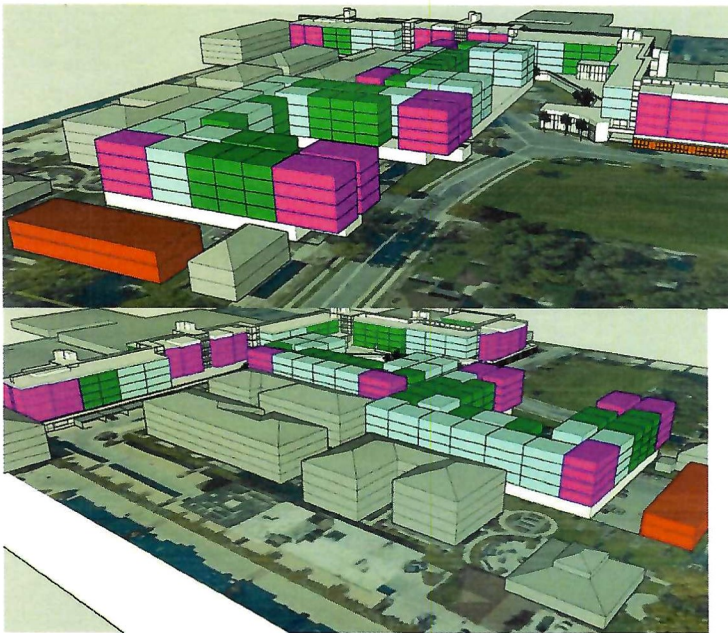
Although the RFP had closed and scoring showed our application as a close 2nd of 3, an anonymous process complaint thwarted the entire process which was abandoned. Note some negative press recently appeared regarding this issue. We expect the RFP to be reissued due to a technical violation in the scoring, and the re-issued RFP is likely to arrive in early 2025.

Status Update:

- Waiting for RFP reissuance

Mansell Manor:

HASLC owns the property currently slated for this project. However, it requires a rezone and plan amendment to accomplish the density that is needed for our plan. The project stalled for almost a year and was re-started recently.



Status Update:

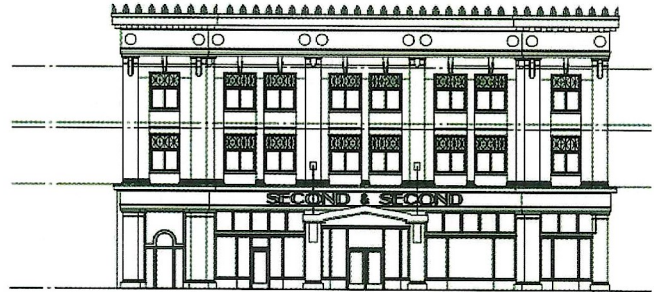
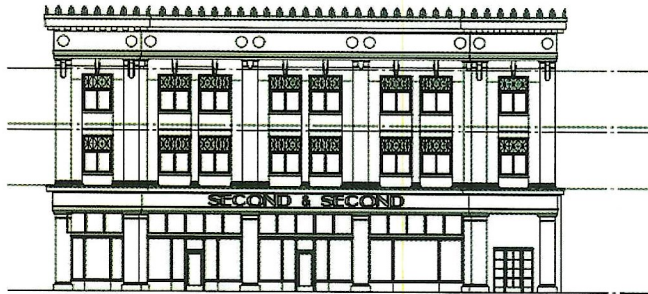
- Preliminary development capacity review is underway by internal development team
- Anticipate a rezone strategy to be formulated in Q1 2025
- Anticipate initiation of a rezone land use process following rezone strategy authorization

Peripheral Projects/Partnerships:

Stratford House:

This project, in partnership with First Step House and Blueline Development, was awarded 9% tax credits last year. Construction is now underway after many delays. Note that HASLC is providing 35 vouchers

and is a 20% partner in the project yet has less say on decisions than originally anticipated. HASLC recently received a significant developer fee for its role.



Status Update:

- Construction is on track for February Temporary Certificate of Occupancy (TCO)
- Tenants are expected to begin moving into 2nd-floor units mid-March

Alliance House:

HASLC has agreed to provide 16 vouchers to this project to assist this service provider in rebuilding new housing to replace the aging nine-units of housing that they currently maintain. This project is being funded privately but did recently receive a \$500K allocation from the City RDA. Cowboy Partners, a major developer, is assisting Alliance House. A ground-breaking event took place in September and HASLC received significant recognition for its role.

Status Update:

- Construction in progress

Early Exploration Projects:

None at present, except possible acquisitions through our brokers. We have been invited to partner on a few newly conceived developments and asked often to just provide Project-based Vouchers (PBV's) for such sites. Our PBV's are now in very short supply (till late 2025?) so new ventures requiring such are not likely soon.

END OF REPORT

Housing Assistance Management Enterprise

Staff Report



Report Provided by: CFO, Jennifer Nakao
Department: Finance

Item: Fiscal Year 2024 Financial Statements through November

January 27, 2025

BACKGROUND AND METRICS:

This report covers Housing Assistance Management Enterprise' 15 properties (943 units) and the HAME Management Fund.

HAME remains in a solid financial position with year-to-date revenues for the consolidated HAME programs and properties totaling \$9,992,609. Expenses to date amount to \$8,169,487, resulting in **net residual receipts (income) of \$1,823,122**. This figure is \$186,854 more than projected.

HAME's "Owned" properties generated a net residual income of **\$1,793,381**, which is over our projected amount by \$205,185.

The HAME Management Fund is currently performing below expectations, with a net residual income of **\$230,609**, falling short of our expected amount by \$98,775. This is primarily due to reduced interest earnings from the state PTIF account, following the withdrawal of \$2.7 million from the account at the end of 2023.

Homeless Properties realized a net residual loss of **(\$200,868)**. This is \$80,445 better than the budgeted projected loss of (\$281,313).

The HAME properties remain in a strong financial position eleven months into the year, despite some challenges. Although administrative expenses are beginning to stabilize, maintenance contract costs have been elevated due to expenditures on extermination and security services. The homeless properties under HAME have been especially impacted by these higher extermination and security costs. Additionally, significant one-time expenses across HAME properties include the replacement of hot water heaters, installation of new playground equipment, and plumbing repairs.

The attached financial statements show the comparison to the 2024 revised budget approved by the Board in November 2024.

Operating costs exclude depreciation, amortization, and capital expenses.

ANALYSIS:

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

Operating costs exclude depreciation, amortization, and capital expenses.

RECOMMENDATION:

Review and accept report. No vote required.

Property = All HAME Combined (Management Fund, Homeless, Owned)

Budget Comparison

Period = Jan 2024-Nov 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000 INCOME					
3399-9999 OPERATING INCOME	8,568,936.43	8,803,349.39	-234,412.96	-2.66	9,603,642.00
3699-9999 OPERATING INCOME OTHER	1,328,825.43	1,500,262.61	-171,437.18	-11.43	1,636,659.00
3899-9999 GRANT/SUBSIDY INCOME	94,847.04	182,220.50	-87,373.46	-47.95	198,786.00 1)
3999-9999 TOTAL INCOME	9,992,608.90	10,485,832.50	-493,223.60	-4.70	11,439,087.00
4000-0000 EXPENSE					
4112-9999 ADMIN PAYROLL	2,328,483.19	2,714,872.16	386,388.97	14.23	2,961,694.00
4299-9999 ADMINISTRATIVE EXPENSE	1,052,019.38	1,157,047.54	105,028.16	9.08	1,262,224.00 3)
4339-9999 UTILITIES	804,524.34	806,256.88	1,732.54	0.21	879,557.00
4419-9998 MAINT/OPER PAYROLL	474,174.96	661,149.61	186,974.65	28.28	721,248.00
4429-9998 MATERIALS-ORD MAINT	240,430.04	291,147.12	50,717.08	17.42	317,615.00
4440-9999 CONTRACT COSTS-ORD MAINT	1,420,585.37	1,306,133.95	-114,451.42	-8.76	1,424,902.00
4579-9999 OTHER GENERAL EXPENSE	446,441.20	408,089.88	-38,351.32	-9.40	445,189.00
4589-9999 INTEREST EXPENSE	1,094,287.90	1,100,853.49	6,565.59	0.60	1,200,918.00
4599-9998 OTHER GENERAL, PROP TAX	106,562.89	105,916.36	-646.53	-0.61	115,558.00
4610-9999 EXORD EXPENSES	162,462.83	286,942.48	124,479.65	43.38	313,024.00 2)
4629-9999 CASUALTY LOSSES	17,192.87	0.00	-17,192.87	N/A	0.00
4969-9999 FEES/DONATIONS	22,322.22	11,155.76	-11,166.46	-100.10	12,170.00
7999-9999 TOTAL EXPENSES	8,169,487.19	8,849,565.23	680,078.04	7.68	9,654,099.00
8999-9999 NET PROFIT/LOSS	1,823,121.71	1,636,267.27	186,854.44	11.42	1,784,988.00

1) Sunrise Department of Workforce Services grant ended in June and was not renewed.

2) CPTED improvements are ongoing and will continue through the end of the year.

3) Our management fee expenses were lower than usual, partially due to the ongoing renovations at Sunrise.

Budget Comparison

Period = Jan 2024-Nov 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000					
INCOME					
3399-9999	6,522,308.89	6,635,996.51	-113,687.62	-1.71	7,239,257.00
3699-9999	442,017.69	465,520.99	-23,503.30	-5.05	507,850.00
3899-9999	42,110.26	44,062.37	-1,952.11	-4.43	48,068.00
3999-9999	7,006,436.84	7,145,579.87	-139,143.03	-1.95	7,795,175.00
4000-0000					
EXPENSE					
4112-9999	914,346.06	991,578.39	77,232.33	7.79	1,081,737.00
4299-9999	806,185.02	902,818.18	96,633.16	10.70	984,883.00
4339-9999	597,727.45	585,758.14	-11,969.31	-2.04	639,013.00
4419-9998	274,884.37	407,602.47	132,718.10	32.56	444,651.00
4429-9998	181,843.43	219,383.01	37,539.58	17.11	239,327.00
4440-9999	907,590.95	838,971.32	-68,619.63	-8.18	915,270.00
4579-9999	318,635.60	276,907.62	-41,727.98	-15.07	302,081.00
4589-9999	979,160.57	983,777.74	4,617.17	0.47	1,073,199.00
4599-9998	80,852.43	85,190.49	4,338.06	5.09	92,948.00
4610-9999	129,416.15	263,406.99	133,990.84	50.87	287,349.00 1)
4629-9999	17,192.87	0.00	-17,192.87	N/A	0.00
4969-9999	5,220.55	1,989.13	-3,231.42	-162.45	2,170.00
7999-9999	5,213,055.45	5,557,383.48	344,328.03	6.20	6,062,628.00
8999-9999	1,793,381.39	1,588,196.39	205,185.00	12.92	1,732,547.00
NET PROFIT/LOSS					

1) CPTED improvements are ongoing and will continue through the end of the year.

Hame Management Fund ONLY (.250)

Budget Comparison

Period = Nov 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3000-0000 INCOME					
3190-0000 LEASE RENTAL & NONDWELLING RENTS	3,051.40	0.00	3,051.40	N/A	0.00
3699-9999 OPERATING INCOME OTHER	823,018.64	933,865.13	-110,846.49	-11.87	1,018,762.00 1)
3999-9999 TOTAL INCOME	826,070.04	933,865.13	-107,795.09	-11.54	1,018,762.00
4000-0000 EXPENSE					
4112-9999 ADMIN PAYROLL	476,823.08	499,256.01	22,432.93	4.49	544,643.00
4299-9999 ADMINISTRATIVE EXPENSE	41,896.94	29,151.87	-12,745.07	-43.72	31,802.00
4429-9998 MATERIALS-ORD MAINT	523.27	3,564.88	3,041.61	85.32	3,889.00
4440-9999 CONTRACT COSTS-ORD MAINT	1,256.52	152.13	-1,104.39	-725.95	166.00
4579-9999 OTHER GENERAL EXPENSE	6,400.27	6,646.75	246.48	3.71	7,251.00
4589-9999 INTEREST EXPENSE	54,576.79	56,542.75	1,965.96	3.48	61,683.00
4599-9998 OTHER GENERAL, PROP TAX	1,044.89	0.00	-1,044.89	N/A	0.00
4610-9999 EXORD EXPENSES	2,000.00	0.00	-2,000.00	N/A	0.00
4969-9999 FEES/DONATIONS	10,939.52	9,166.63	-1,772.89	-19.34	10,000.00
7999-9999 TOTAL EXPENSES	595,461.28	604,481.02	9,019.74	1.49	659,434.00
8999-9999 NET PROFIT/LOSS	230,608.76	329,384.11	-98,775.35	-29.99	359,328.00

1) Reduced interest earnings from the state PTIF account, following the withdrawal of \$2.7 million from the account at the end of 2023.

HAME Homeless Properties (hamehome)

Sunrise Metro, Faultline & Pamela's Place

Budget Comparison

Period = Jan 2024-Nov 2024

Book = Accrual ; Tree = qtr_bis1

	YTD Actual	YTD Budget	Variance	% Var	Annual
3399-9999	2,043,576.14	2,167,352.88	-123,776.74	-5.71	2,364,385.00
3699-9999	63,789.10	100,876.49	-37,087.39	-36.77	110,047.00 1)
3899-9999	52,736.78	138,158.13	-85,421.35	-61.83	150,718.00 2)
3999-9999	2,160,102.02	2,406,387.50	-246,285.48	-10.23	2,625,150.00
4000-0000					
4112-9999	937,314.05	1,224,037.76	286,723.71	23.42	1,335,314.00
4299-9999	203,937.42	225,077.49	21,140.07	9.39	245,539.00
4339-9999	206,796.89	220,498.74	13,701.85	6.21	240,544.00
4419-9998	199,290.59	253,547.14	54,256.55	21.40	276,597.00
4429-9998	58,063.34	68,199.23	10,135.89	14.86	74,399.00
4440-9999	511,737.90	467,010.50	-44,727.40	-9.58	509,466.00
4579-9999	121,405.33	124,535.51	3,130.18	2.51	135,857.00
4589-9999	60,550.54	60,533.00	-17.54	-0.03	66,036.00
4599-9998	24,665.57	20,725.87	-3,939.70	-19.01	22,610.00
4610-9999	31,046.68	23,535.49	-7,511.19	-31.91	25,675.00
4969-9999	6,162.15	0.00	-6,162.15	N/A	0.00
7999-9999	2,360,970.46	2,687,700.73	326,730.27	12.16	2,932,037.00
8999-9999	-200,868.44	-281,313.23	80,444.79	28.60	-306,887.00

1) Lower tenant charges than expected, fewer meth decontaminations in Sunrise and Pamela's Place.

2) Sunrise Department of Workforce Services grant ended in June and was not renewed.

Housing Assistance Management Enterprise

Staff Report

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



Item: Key Performance Indicators (KPIs) Thru December 2024

January 27, 2025

BACKGROUND:

The Property Management Department has developed Key Performance Indicators (KPIs) and associated metrics to monitor performance around essential activities. The below tables detail KPIs and metrics in focus for the **943 units** Housing Assistance Management Enterprise (HAME) 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 Development Corporation (HDC).

Analysis:

KPI: Average Occupancy at the close of December 2024

Metric: >95% for stabilized properties

Average Occupancy	December
HAME	97.7

Move-ins	December
HAME	5

Move-outs	December
HAME	5

Evictions	December
HAME	0

KPI: Work order completion

Metric: >90%

For the month of December 95% of work orders submitted in the reporting period were completed.

Total Work Orders	December
HAME	720

Unit Turns Completed	December
HAME	4

KPI: Average Number of Days Vacant for December2024

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.

Days Vacant

	December
HAME	33

VA referral units' days Vacant

We had 0 move ins at our VA referral properties owned by HAME.

	December
HAME	0

KPI: Tenant Account Receivables (TARs)

Metric: 4% of Potential Rent or less

In the prior month, HAME had \$75,965 in rolling accounts receivable (AR). We collected \$26,385 resulting in a 35% collection rate. Out of this, \$21,045 remains unpaid for over 90 days. HAME currently has 16 repayment agreements in place, with a 100% compliance rate.

For the month of December, the total recurring charges for HAME-owned properties amounted to \$101,501 with a 5% delinquency rate. At the end of December, the combined amount owed for HAME owned properties was \$90,337

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.

END PACKAGE