

# HOUSING AUTHORITY OF THE COUNTY OF SALT LAKE

## MINUTES OF REGULAR BOARD MEETING

January 16, 2019

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### PRESENT:

Jennifer Johnston – Chair  
Phil Bernal – Commissioner  
Roderic Land – Commissioner  
Spencer Moffat – Commissioner  
Gwen White – Commissioner (audio)

### EXCUSED:

Mark Johnston – Vice Chair  
Erin Litvack – Commissioner

### STAFF PRESENT:

Janice Kimball – Executive Director  
André Bartlomé – Chief Financial Officer  
Zach Bale – Director of Operations  
Jeanette Hernandez – Affordable Housing Manager  
Jodi Parker – Section 8 Manager  
Jeremy Runia – Real Estate Development Director  
Dan Pincock – Executive Administrator  
Troy Andrus – Morgan Stanley Fellow

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### COMMENCE

The first HACSL Board meeting of 2019 was held on Wednesday, January 16, at the Grace Mary Manor Apartments' community room.

Chair Jennifer Johnston welcomed everyone and called the meeting to order at 11:37 a.m.

#### 1. PUBLIC COMMENT

There were no members of the public in attendance at the meeting.

#### 2. HIGHLIGHTS

The Housing Authority was awarded a Resident Opportunities and Self-Sufficiency (ROSS) grant for just under \$240,000, which pays for salary and benefits for the next three years for a service coordinator at the County High Rise. According to the news article in the Board book, the agency was one of two entities in Utah to be awarded funding through this grant. The Board book also contained a description of ROSS services, as well as a success story from the High Rise service coordinator.

#### 3. RAB REPORT

Board Commissioner (and RAB member) Gwen White provided an overview of the recent RAB meeting (Jan. 9). She indicated that the RAB will review the draft PHA Plan for FY2019-2020 which was provided to members at the meeting and provide feedback. Russell Opatz reviewed the required annual forms (Code of Conduct, Confidentiality, Conflict of Interest), which the RAB members signed. The rebrand activities were discussed. At the meeting, Director of Operations Zach Bale discussed community outreach plans to legislators for affordable housing and suggested that the RAB contact legislators regarding the importance and need for affordable housing. RAB officers were elected for 2019 with Maria Jacobs as RAB Chair, Mary Ann Ericksen as Vice Chair, and Laura Allred as Treasurer. Zach Bale added that there was a good discussion on safety and property updates, as well as good suggestions on additional things the agency could do.

#### 3. CONSENT AGENDA

The Board then approved the Consent Agenda which consisting of the minutes from last month's meetings, the Grants Report, the Quarterly Report, and staff updates with Commissioner Moffat motioning to approve and Commissioner Land seconding. The motion passed and the Consent Agenda was approved.

#### 4. ACTION ITEMS

Disclosure forms:

Board members present at the meeting were given the annual disclosure forms to sign. In filling out the forms, Commissioner Bernal had

some questions around some funding which comes from a County board which he has been appointed to, but he concluded that it would be his responsibility to inform the other board of his potential conflict of interest should the agency submit a contract with that entity. He also indicated that since he still has affiliations with the Salt Lake City Housing Authority that he should be excused from Board decisions related to the County High Rise and which involve the City Housing Authority.

Commissioner Land asked when the agency name change would take place and whether it would have any effect on the forms being signed under the Housing Authority of the County of Salt Lake. Executive Director Janice Kimball explained that officially the agency would still be the Housing Authority of the County of Salt Lake (but "Doing Business As" the name change). She also mentioned that the Housing Authority was prepared to roll out the rebrand on Jan. 22, but with the government shutdown in effect, it was decided to wait.

#### **Resolution #962: Public Housing and Section 8 write off**

Resolution #962 was presented to the Board for approval. This resolution allows for collection of write off losses for Section 8 (which, it was noted, was higher than in the past) and Public Housing. There was a discussion regarding some of the more significant losses. The agency is doing the best it can to catch these losses earlier. Commissioner Moffat motioned to approve the write-offs, and Commissioner Land seconded the motion, which passed. Resolution #962 was approved.

#### **Resolution #963: Covewood refinancing**

Resolution #963 was also presented for the Board to approve. Since the lending institution is Zions Bank and Chair Jennifer Johnston is employed by Zions as a Senior Vice President (not involved in this transaction), she recused herself from participating in the vote to approve this resolution. Commissioner Phil Bernal lead the discussion and the resulting vote on this resolution. CFO Andre Bartlome gave some history and provided some background for the refinancing. He informed the Board that the refinance will result in a lower interest rate (3.79%) with a full payoff in 20 years and will provide funding to upgrade the units and fix some capital items. The agency owes just under \$5 million and will be increasing the debt to \$6.5 million which will include approximately \$1.5 million in rehab and capital updates. Executive Director Janice Kimball clarified that these were cosmetic (flooring, lighting, and cabinets) as well as structural improvements (dry rot on the landings and entrances). Some of the upgrades should result in lower utilities (paid by the tenants), although it is projected that rents will be increasing over time. There will be an increase in the annual debt service from \$375,000 to \$464,000, in order to pay off the loan in 20 years. The 98-unit property, built in 1984, makes approximately \$333,000 (after paying the debt) for the agency each year. Commissioner Land motioned to approve the refinancing, and Commissioner Moffat seconded. The motion passed, and Resolution #963 was approved. The refinancing will take place on Friday, January 25.

#### **DIRECTOR'S REPORT**

The next agenda item was the Director's Report, where Executive Director Janice Kimball focused mainly on the federal government shutdown. She emphasized that we are funded through the end of February, and the programs that could be affected are Supportive Housing (although contracts are spread throughout the year), Public Housing (where there is a 3 – 4 month reserve), and Section 8, with Section 8 being the biggest and most pressing concern right now. They are monitoring industry calls, and she has a meeting later in the day with some of Sen. Romney's staff to talk about the impacts to the community. She shared some data that she had prepared for that meeting. She indicated that nationwide there has been an increase in calls from landlords and tenants. Commissioner Land suggested that another approach with the media and the industry calls, besides the damage to the business community which was brought up, is the impact this would have on the homeless in Salt Lake County. He also inquired about whether a backfill mechanism is in place (should the Housing Authority dip into its reserves), and Janice Kimball responded that she believes there is, but there are no guarantees (this is uncharted territory, as Section 8 payments in previous shutdowns were considered as an essential budget item). She added that the Housing Authority does not have sufficient reserves for Section 8 tenants. Chair Jennifer Johnston asked about how a funding shortfall was handled during the 2013 sequestration, and CFO Andre Bartlome answered that the agency had received information from HUD referring to the sequestration guidelines and that housing authorities should use those guidelines this year. Director of Operations Zach Bale added that tenants are protected by law from eviction if the agency doesn't make its portion of the rent payment. Chair Jennifer Johnston suggested notifying landlords of retroactive payments. Commissioner Bernal asked if it would be helpful for HACSL and the City Housing Authority to meet with Paul Smith. Janice Kimball said she would reach out to Dan Nackerman and Paul Smith. She informed the Board that the agency would keep them updated on any developments. She also reiterated that the scheduled rebrand rollout has been postponed due to the federal government shutdown, as the agency would like to distance itself from the concern and attention given to the shutdown.

#### **EXECUTIVE SESSION**

At 12:17 p.m., Commissioner Land motioned for the Board to go into Executive Session to discuss some real estate matters and projects, and Commissioner Moffat seconded. The motion passed and the Board went into Executive Session.

At 12:52 p.m., Commissioner Bernal motioned for the Board to exit the Executive Session, and Commissioner Moffat seconded the

motion, which passed, and the Board exited the Executive Session.

## **5. HACSL FINANCIALS**

After coming out of Executive Session, Andre Bartlome gave the HACSL Financials report (through the end of November). Financials are stable. Commissioner Bernal offered some suggestions for improvements on the financial report, and Chair Jennifer Johnston asked Andre Bartlome and Commissioner Bernal to get together in order to arrange for this to happen. She also asked Dan Pincock to provide a list of properties for each Board member at future meetings.

## **COMMISSIONERS INPUT**

Commissioner Phil Bernal talked about the NAHRO Commissioners Handbook which is being updated and is anticipated to come out in the Spring. He felt that reviewing the revised handbook after it comes out would be beneficial.

## **6. OTHER**

There were three items in the "Other" section of the agenda. The Bud Bailey HVAC system issues were reviewed and discussed. The Gateway to Housing report for December and the PHA Plan key dates were briefly brought up.

## **ADJOURN**

The meeting was then adjourned.

Respectfully submitted,

Dan Pincock  
Executive Administrator