

MINUTES

Grand Junction Housing Authority
March Board of Commissioners' Meeting

March 25, 2019 11:30 a.m.
8 Foresight Circle

Prior to the meeting a document was handed out with a description and background of the United Way of Mesa County Mary J. Nelson Inspirational Award. Scott Aker announced that while attending a recent United Way Luncheon, he was surprised with the honor of accepting the 2018 award on behalf of Door 2 Success (D2S). Chris Mueller, former GJHA Board member and current D2S Board Member was there to present the award which recognizes excellence in innovation and community service of United Way grant recipients. The award is now on display in the GJHA Hot Topics Conference Room.

Call to Order

The GJHA Board of Commissioners' meeting was called to order at 11:36 a.m. by John Howe, Board Chair. Attendance was taken by roll call with the following present:

Commissioners: John Howe, Chair
Ivan Geer, Vice Chair
Tim Hudner
Tami Beard
Chris Launer
Phyllis Norris
Scott Proper

GJHA Staff: Jody Kole, CEO
Scott Aker, COO
Krista Ubersox, HR Director
Suzy Keith, Asset Manager
Amy Case, Controller
Jill Norris, General Counsel
Margaret Ellrick, Supportive Svcs Supervisor
Kevin Sperle, IT Supervisor (12:45 p.m.)
Jane Hart, Executive Assistant

Guests: None

Consent Agenda

The consent agenda consisted of a Request for Adoption of Notes for February 19, 2019 Finance and Audit Committee and Minutes for February 25, 2019 Regular Board Meeting. The Consent Agenda received approval with a motion by Tim Hudner, a second by Chris Launer, and a unanimous vote.

Budget Update

Amy Case discussed the Board Memo noting the budgeting conversation held last fall regarding Foresight Office improvements and how they relate to the General Fund cash position. A request for \$120K was approved as part of the FYE 2019 Budget for the Foresight Office parking lot expansion and staff agreed to keep the Board updated on the General Fund cash position prior to commencing work.

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An additional budgeted General Fund capital investment was for the purchase of new maintenance trucks, which cost less than expected. Finally, none of the \$77K Foresight project contingency associated with internal office construction/expansion has been spent. Therefore, the General Fund can support moving ahead with the parking lot expansion.

The Acquisition and Development fund has an unrestricted cash balance of \$800K which will be used for pre-development of 2814 Patterson.

GJHA has two outstanding Nellie Bechtel obligations, due January of 2020, including a contribution of \$178K in equity to pay down the loan from the Colorado Housing Investment Program and \$229K to establish a reserve account. GJHA will seek authorization from HUD to transfer funds from the Voucher Administrative Fee Reserve, because a significant number of Housing Choice Voucher clients are housed at Nellie Bechtel. Staff will also try to negotiate to reduce the reserve requirement by showing a strong financial position and demonstrating that the property has been significantly rehabilitated.

After taking a conservative approach to the budget, allowing funds for Courtyard improvements, 120K for parking lot expansion, and assuming no success in negotiating the Nellie Bechtel obligations noted above, the remaining unrestricted balance will be \$2.259MM. Additionally, if a tax credit award is secured for 2814 Patterson *and closing occurs* in February of 2020, the General Fund should receive an additional \$1.3MM in cash. The final equity installment for Highlands 2, anticipated in December 2019 or January 2020 will provide additional Developer Fee revenue.

Scott Aker reiterated the need for an expanded parking lot at the Foresight Offices. The plan is to add to the lot along the North-East side of the building to create a one-way, full circle drive. This will be helpful for trash collection, deliveries, and general traffic flow in the narrow drive. With increased staff, GJHA has outgrown the current parking lot capacity. The first step will be to conduct a solicitation for engineering and planning services; step two, after another review of the General Fund, will be execution of the plan which will add between 25 and 30 parking spaces. To Phyllis' question, Scott said there are entrances at the back of the building for employees to use when parking in the new section.

Jody Kole pointed out that GJHA will need to show a strong balance sheet at the time of application for tax credits for 2814 Patterson. Staff will revisit the General Fund balance after engineering for the parking lot has been completed to be sure that moving forward with construction is a sound move while balancing competing needs. The anticipated cost for the engineering and planning is \$20K, included in the total cost of \$120K. As this is an update, no action is needed from the Board at his time.

Regarding Tax Credit Partnership Audits, Amy said final versions are not yet available to present to the Board for acceptance. These audits have been delayed while investors decide if certain elections will be made pursuant to options created in the 2017 federal tax reform package.

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Investors now have the option of extending depreciation schedules from 27 ½ years to 40 years, which will allow for the continued deduction of interest expense. GJHA will likely have these final audits for review at the next meeting. Investors' decisions will not significantly affect the GJHA position in the properties.

Supportive Services / Doors 2 Success Update,

Leading Age and Partnerships

Scott Aker referred to the 2018 GJHA Annual Meeting to address the continuing goal of blending services and support available through the housing arena with those offered through the healthcare system. This mingling, referred to nationally as Housing Plus Services, will create better service to shared clients and create operational and financial efficiencies for the systems involved.

A Research Snapshot from the recent Leading Age Conference, attended by Scott Aker and Margaret Ellrick, was included in Board Package. Leading Age has taken a leadership role in terms of lobbying Congress and the Administration regarding the maximization of limited resources across multiple systems.

The GJHA team has been working behind the scenes with Illene Roggensack of Third Sector Innovations to submit several grant proposals and funding requests for Doors 2 Success in order to support expanded capacity to provide Service Coordination both in Housing Authority properties and to senior households (households with someone age 62+) who utilize a Housing Choice Voucher in the community. One proposal was submitted to Denver-based Next 50 Initiative, a foundation looking at innovative practices and programs to serve Colorado's aging population, with a request for \$83K. In conjunction with the application to Next 50, GJHA received a letter of commitment from Rocky Mountain Health Plans/United Health Care (RMHP) for \$40K starting in 2020 toward a position which would combine GJHA Service Coordination and RMHP Care Coordination when needed. As an example, the Care Coordination function provides more intensive service for clients covered by RMHP who show patterns of not going to scheduled medical appointments and later showing up in the emergency room.

Leading Age will provide a full report from a similar model deployed in Vermont with information showing that per person / per year, this model of Care Coordination bent the cost curve of Medicare by \$1,500 per person/per year, bent the Medicaid cost curve by \$400 per person / per year, and is simultaneously working toward better health outcomes for the clients.

Tim Hudner asked how GJHA would be paid for the extended services of care coordination. Scott Aker said this has yet to be determined in whole, but that United Health Care acknowledges the need for ½ to 1 full-time employee, and with the \$40K contribution, recognizes costs to support that position. Likewise, GJHA's contribution will be to provide a transportation component. This may mean that GJHA would provide some transportation to

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primary care appointments, so long as the vehicles already operated by the Housing Authority will suffice. Transportation is known to be the single largest barrier for the seniors that will be served. Service Coordination will be available to every senior client while Care Coordination will be limited to mutual clients of GJHA and RMHP.

To Chris's request to clarify, Scott Aker explained that GJHA already owns two sedans that are being driven between 4,000 and 6,000 miles per year. His suggestion is to dedicate one of them to this function, understanding that these vehicles won't work for everyone. When Phyllis asked about liability, Scott stated that our insurance policy already covers any liability associated with transporting clients and research will be done to determine if any special licenses will be required. A robust discussion with questions from the Board ensued. Highlights are captured below:

Phyllis expressed concern that this programmatic change of what GJHA now provides as an occasional offer of transportation could become an expectation to receive transportation by clients. Likewise, Chris cautioned that GJHA will need to create boundaries in offering transportation. Scott Aker agreed and stated this transportation will only be available to those clients involved in Care Coordination.

Scott Aker clarified for Tim that GJHA Service Coordinators assigned to the task will be driving and that when they are providing this service, employees can continue to be productive using portable computers. RMHP will not make a profit on this model but if the program can demonstrate to Medicaid and Medicare that they will benefit from it they, and RMHP, may contribute to continue paying for it.

Scott Aker and Jody summarized that this will be a pilot project of limited scope, within the range of the GJHA mission, with a willing financial partner. If it works well, an RFP could go out to other interested insurance companies or other potential partners in the future. The willingness of the Housing Authority to partner in this arena may lend itself to more funding opportunities for housing and services in the future.

Next Step Program Implementation – Rapid Re-Housing

Margaret Ellrick gave an update on the Rapid Re-Housing / Next Step Program that was implemented a few months ago. Margaret stated that the program started slowly because referring partners had some concern that with Rapid Re-Housing the clients may not get all the help that they need. When it was made clear that clients with greater needs will be able to receive rental assistance as needed (up to 2 years, though the goal is a much shorter time frame), the referral rates improved. Today, the program is almost fully subscribed with 15 housed client families who seem to be doing well. A couple of these families are already planning to transition receiving assistance through Housing Choice Voucher. These clients will not lose housing but will not need to rely on the intensive case management provided under the Next Step Program. While the program will allow assistance for up to two years, many clients do not want or need extended housing assistance but can benefit from short term assistance.

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Family Self-Sufficiency

The Family Self-Sufficiency Program (FSS) has had a couple of recent graduates in the last month. One person went off program altogether and the other stayed on assistance because she is not yet making enough income to pay full rent. This program is HUD funded.

When an employed client in FSS experiences an increase in income, the portion of rent they pay does not go up. The difference between what would have been an increase in rent, based on income, is placed by GJHA into an escrow account for the client. Any of this money escrowed for the recipients while they participate in the program is released to them upon graduation and can be used for down payment on a house, pay off debt, be used to buy a vehicle, be saved or be used for any other needs. The escrow account associated with the program serves as a great motivator. If a client does not meet their established goals, they forfeit the escrow account and the funds accrued stay in the Voucher Program to be used by other participants.

Development Update

Jody Kole told the Board that GJHA staff are pushing to get a Certificate of Occupancy for Highlands 2 by May 1 2019. If that date is not met, there will be no tax credit benefit for the Investor, Wells Fargo, until June, and a financial penalty may then be paid by GJHA to offset the lack of the first month of anticipated tax credit benefits. GJHA staff are working to verify eligibility of potential new tenants and prepare them to move-in. There are a few leasing gaps but 6 weeks remain to fill them. There have been a couple of construction delays with suppliers and the stucco is a little behind due to rain. Otherwise the project is moving along nicely. To celebrate the opening, Jody suggested a block party in addition to formal events. This will help create community between new and established residents.

The 2814 Patterson development application has been submitted to the City of Grand Junction and staff has responded to the first round of comments and information requests. There have been no further comments from the City and GJHA is awaiting one comment from Ute Water. Submittal to Mesa County for a building permit is expected next week and that is planned to be in hand by the June 1 application for tax credits.

In preparing for this new project, consideration is being given to what mix of income levels needs to be served, and what the property's pro-forma operating assumptions can support. Jody and the development team are trying to find a balance to meet community needs and align with the compliance requirements of potential funding sources. Some board members indicated they would prefer to see some units provided at the 30% of Area Median Income (AMI) level. Staff will be prepared to define the recommended AMI mix and overall financial structure and ask for approval of a resolution during the May 2019 Board Meeting to submit the Colorado Housing and Finance Authority (CHFA) Tax Credit application.

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Walnut Park Capital Project

Suzy Keith brought to the attention of the Board that Walnut Park, a 90-unit property built in the 1970's, primarily in 4-plexes, is aging and will need some work in the near future. GJHA will do a full Capital Needs Assessment this spring to determine the scope of work needed which will likely include roof repair and maintenance, boiler repair or replacement, and some concrete work in front of some units. Staff will search for grant opportunities to help fund the projects and may also consider borrowing against the property which has been free of liens since the mortgage was paid off in October of 2018.

Board Communication

Scott Aker announced that each Board Member will be provided a Grand Junction Housing Authority email account through Microsoft Outlook.

Kevin Sperle logged into the in-room computer and showed the group, on the overhead screen, what the landing page will look like where Board Members will log in to their GJHA Outlook account to review email. He then provided instructions on changing passwords. Kevin let the group know that these email addresses will work like any email address but, at least for now, will not be published in the GJHA directory. The email can be accessed with iOS or Android products. Kevin will be available for questions as new users get acquainted with their email accounts.

Jill Norris continued the discussion by going over Colorado's Open Meetings Law (Sunshine Law) and Colorado's Open Records Act (CORA) requirements as they relate to communication with and among Board Members.

A public meeting is any meeting involving three or more Commissioners in which any public business is discussed. Public Business is defined as anything that could rationally be tied to some formal action. A formal action would be anything the Board is authorized to do by statute or the GJHA Bylaws.

Administrative matters, such as deciding on a date for an upcoming meeting or sharing documents and information in order to prepare for a meeting would not be considered a public meeting. Board Members were encouraged to keep any other emails, or keep a summary of them, for future reference unless they are confidential or contain attorney protected information.

The Board and staff were advised to not use the "Reply All" function and staff were encouraged to use the blind copy (BCC) option when emailing a group so that a "Reply All" response will not be sent to the entire group but only to the sender of the initial email. The Board members were encouraged to avoid engaging in any conversation using text or email. Jill offered to provide relevant articles upon request.

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Other Business, if any

Jill Norris announced there is pending legislation that may require local governments to post agendas online. If passed, it will go into effect in August.

With no other business, Chris Launer made a motion to adjourn. Tami Beard seconded the motion and with a unanimous vote, the meeting was adjourned at 1:15 p.m.

All Board Packet documents and documents distributed
during the Board Meeting are retained in the file