

## MINUTES

Grand Junction Housing Authority  
**April Board of Commissioners' Meeting**

**April 22, 2019 11:30 a.m.**  
**8 Foresight Circle**

### **Call to Order**

The GJHA Board of Commissioners' meeting was called to order at 5:09 pm. 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

**GJHA Staff:** Jody Kole, CEO  
Scott Aker, COO  
Krista Ubersox, HR Director  
Suzy Keith, Asset Manager  
Amy Case, Controller  
Jill Norris, General Counsel  
Racquel Wertz, Vouchers Supervisor

**Guests:** None

### **Consent Agenda**

The consent agenda consisted of a Request for Adoption of Minutes for the March 25, 2019 Regular Board Meeting. The Consent Agenda received approval with a motion by Tim Hudner, a second by Phyllis Norris, and a unanimous vote.

### **Finance Committee Report**

The Finance and Audit Committee of the Grand Junction Housing Authority did not meet in March. Amy Case asked the Board if they would accept tax credit partnership audits. An exit interview was conducted, and audits were distributed to the full board with copies of management letters. All letters cite no findings and very few auditor-adjusting journal entries for Linden Pointe, Village Park, and Arbor Vista. Management letters contain no significant differences from the early indications made during that exit interview. The Highlands' investor is expected to signal their intention later this week regarding options available under new federal tax reform law, choosing between a longer depreciation term or a different approach to interest expense, later this week. The Highlands audit will follow soon thereafter.

Chris Launer made a motion to approve the three completed audits. Ivan Geer seconded the motion which was approved unanimously.

Jody Kole noted the reason the Finance and Audit Committee was cancelled was because the agenda had not been posted as per Colorado Open Meetings Laws.

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Amy updated the board regarding the GJHA procurement schedule stating staff would rather compete the selection of a Commercial Insurance Broker this year and wait on a banking RFP until 2020, believing that cost savings may be more readily available in Commercial Insurance Brokerage.

Phyllis Norris asked about length of the GJHA banking contract. Jody indicated GJHA has banked with Bank of Colorado approximately 12 years, though the service has been put out for bid multiple times during that period. Conversation ensued about the importance of bidding banking services as well as the value of staying with a particular bank. The Board indicated Bank of Colorado has been a strong partner. Jody confirmed that she has had conversation with current Bank of Colorado leadership, asking about the bank's lending limits for any one customer, and has been assured this is not a concern for GJHA.

The Board agreed with the proposed course of action.

**Housing Choice Voucher** Update

Amy started the discussion with a review of the financial benchmarks. She reminded the Board of its approval of an aggressive strategy over the last two years regarding maximizing leasing of available vouchers, acknowledging that may have required GJHA to utilize a portion of its Administrative Fee Reserves to cover potential over-expenditure of HAP (Housing Assistance Payment) resources. She noted that over the past two years, GJHA has seen a 4.6% increase and 1.5% increase, respectively, in utilization of available Vouchers. This strategy has been successful in both maximizing Voucher use in the community and drawing down HAP resources. While Administrative Fee Reserves were used to close out 2018, the Reserve Fund remains very strong with a projected balance of \$634K as of March 31, 2019.

Racquel Wertz shared the leasing strategy with the Board, indicating that additional lease up activity will occur with the addition of the new Mainstream Vouchers as of November 2018. The plan is to accelerate leasing gradually over the remainder of 2019 and to absorb the small number of port-in Vouchers the Housing Authority manages. This combination is estimated to fully utilize available vouchers. Leasing will begin with our Wait List households eligible for specialty programs, such as the Family Stability Program and Non-Elderly/Disabled Vouchers, and then pulling from our regular Wait List for families- many of whom have been waiting three years or longer.

GJHA recently purged its Voucher Wait List; therefore, the "pulls" for new voucher activity are anticipated to contain households ready and waiting to accept a Voucher. Amy reiterated that this strategy not only helped stabilize the program, but also helped bring additional resources into the community. GJHA does not foresee a significant shortfall at the end of this year.

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**Procurement Policy Revisions**

Jill Norris began the discussion indicating staff desire to improve the procurement policy, bringing it in line with current federal guidelines, changes in state statutes and current practice. She proceeded to talk through the Summary of Revisions detailed in the accompanying memo. The changes consist of some technical clean up as well as clarifications regarding ethical boundaries in regard to GJHA doing business with people who may have a conflict of interest, or may be perceived to have a conflict of interest, acknowledging that in a relatively small community, someone who works for a company and has a relationship to an excluded party (board member, city council, etc.), that job in and of itself does not constitute a conflict. However, if adopted, the policy would indicate a conflict if the person were to receive a direct or indirect benefit, other than ordinary wages, as a result of contracting with GJHA.

Discussion ensued on Section 5, regarding the various limits of procurement authority. Staff noted the City of Grand Junction's micro-purchase limit is \$5,000 and the GJHA proposal is \$10,000, which is in line with the U.S. Office of Management and Budget's Uniform Guidance. Staff indicated the micro-purchase limit cannot and will not be used repeatedly to avoid larger purchase limits.

Board members asked staff for a regular report of the situations when a purchase between \$25,000 - \$50,000 occurs without a sealed bid process. Staff agreed and discussed the limited types of scenarios when competitive sealed bids between \$25,000 and \$50,000 may not occur. Staff represented that the practice would be used sparingly and generally when timing issues of a project make competitive sealed bids unfeasible. Purchases over \$50,000 will require a sealed bid process.

Jill indicated that portions of the current policy are being removed and will be incorporated into a procedure manual as those were matters of process versus policy.

Discussion continued regarding having the policy strike a balance between stewardship and conflict-of-interest language that would curtail competitive procurement in a relatively small market with interconnected people and businesses.

A motion to approve *Resolution 2019-04-01*, with notification to the Board for any variances from policy was made by Ivan Geer. Phyllis Norris seconded the motion which was approved unanimously by the Board.

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**Development Update**

Jody indicated Highlands 2 construction continues at a fast pace. While GJHA still anticipates a Certificate of Occupancy (CO), with conditions, by May 1, 2019, some delays have occurred that may push back that date. Jody cited examples of appliances delivered without power cords, labor shortages on painting and other crews, doors being delivered 118 days late, and more. In response to a question from the Board, Jody explained that if the CO with conditions isn't provided by May 1, GJHA may be able to mitigate the financial penalty because the development has extra Basis for the purpose of determining eligible costs for tax credit calculations. Staff discussed the challenge of finding households eligible for a 2-bedroom apartment at 30% of AMI.

Regarding 2814 Patterson, staff continue to analyze unit-mix and operating budget assumptions. The package will be brought to the Board during the May 2019 meeting, which will include staff seeking the Board's approval to apply to the Colorado Housing and Finance Authority (CHFA) for Low Income Housing Tax Credits. The financing package for this development is challenging given assumptions regarding the tax credit price, sources of gap funding, and ongoing operating assumptions.

**Other Business**, if any

**Legislative Update**

Amy provided updates on certain bills before the Colorado Legislature under consideration including community solar garden expansions, extending utility rebates to some residents of multi-family subsidized housing, and Right-to-Cure lease violations (non-payment cure time would be increased from 3 to 10 days). Also being considered are changes to Warranty of Habitability statutes, giving tenants more rights and flexibility in identifying and correcting habitability issues. Staff has worked to exempt most Housing Authority properties from these new requirements, given that Housing Authority properties already have strong habitability standards in place via HUD, CHFA and other requirements.

Another bill would double the annual amount of State Affordable Housing Tax Credits from \$5 MM to \$10MM through 2024. A bill that would have the state retain more state sales tax via reduced total vendor collection fees and funnel the money to the Colorado Division of Housing, could add an estimated \$45MM annually to Colorado Division of Housing (CDOH) grant sources. Yet another bill would make more money available from the state's unclaimed property fund, potentially directing an additional \$40MM to CDOH annually. Finally, a bill in

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the Senate would allow local jurisdictions to establish rent-stabilization mechanisms, which some people refer to as rent controls.

**Program Updates**

Scott Aker mentioned that the “What Home Means to Me” Poster Contest has taken off slowly with only one poster submitted. If few are received, there will be no voting required.

Scott Aker told the group that a first round of applications for GJHA CMU consisted of 37 applicants. He reminded the Board the decision had been made to set aside \$10K of general fund for up to 4 scholarships. The applications are currently being reviewed by staff and Scott will report back on final recipient selections.

**Executive Session**

John Howe asked for a Roll Call to move into Executive Session for a conference with GJHA General Counsel for the purpose of receiving legal advice on specific legal questions under C.R.S. § 24-6-402(4)(b) related to Ute Water Conservancy District Tap Fees. A Unanimous Roll Call vote began the Executive Session at 7:02 pm.

**The Board returned to the open meeting** at 7:44 pm. and the meeting was adjourned at 7:45 pm.

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