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Grand Junction Housing Authority
Board of Commissioners' Meeting

October 26, 2020

Call to Order

The GJHA October Board of Commissioners' Regular Meeting was called to order at 5:06 pm by John Howe, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

John Howe, Chair
Ivan Geer, Vice Chair
Chris Launer
Tami Beard
Tim Hudner
Bill Johnson
Rick Taggart

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Lance Lehigh, CFO
Jill Norris, General Counsel
Suzy Keith, Asset Manager
Krista Ubersox, HR Director
Racquel Wertz, Voucher Team Supervisor
Kevin Sperle, IT Supervisor

Consent Agenda

The Consent Agenda consisted of a request for adoption of the Notes of the Finance and Audit Committee for September 22, 2020 and October 20, 2020, a request for adoption of the Minutes for the September 14, Special Board Meeting and September 30, 2020 Regular Board Meeting, and a request for adoption of Resolution 2020-10-01 reappointing Christian Mueller and David Nelson to the Doors 2 Success Board effective through October 1, 2022. Jody Kole requested a correction to the September 22, 2020 Finance and Audit Committee notes, page to accurately reflect transfer of ownership of Linden Pointe Apartments to GJHA by December 31, 2020, not December 31, 2021. With this correction and a motion by Rick Taggart and second by Tim Hudner, the Consent Agenda was adopted by unanimous vote.

Finance and Audit Committee Report

Ivan Geer told the group the Finance and Audit Committee reviewed the rent collection, rent stress and COVID funding sources information, along with a financial update. He indicated the Committee had a robust discussion regarding the quantity and timing of receipt of information from staff. Staff are assessing the monthly schedules and will be discussing possible changes with the board to allow for more timely delivery of financial information.

Lance Lehigh reviewed the rent stress analysis. This product focuses on debt service requirements and helps the organization understand how much reduction in rental revenues a property could sustain and still meet debt service requirements. Ratekin Tower Apartments' cash position remains approximately a negative \$1.2M. Ratekin's monthly cash performance, however, is adding approximately \$50,000 to the property's bottom line, which is a positive trend. Lance added that the Board and Staff will continue to monitor Ratekin's performance and finalize a plan to address the overall shortfall in

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the coming months. Staff are also focusing on Arbor Vista and Village Park's challenges and will continue to analyze and bring forward a cash management plan, understanding the meth remediation challenges. Overall, the organization's cash position is good.

Net Operating Income and Operating Cash Flows are strong overall, except Highlands 2, Ratekin Towers and Village Park. For Highlands 2, up-front debt service expenses have been understandably high. Village Park has seen slightly higher than expected operating expenses; staff are watching these.

In terms of maintaining debt service coverage ratios of 1.15X or greater, Village Park is a point of focus. Village Park is at 1.24X, which is very narrow margin, and may affect its ability to withstand rent reductions and still maintain debt service coverage requirements. Overall, the properties are maintaining strong rent receipts and debt service coverage ratios. The analysis is very similar to the analysis shared from August 2020. The properties continue to produce good cash flow and, other than those noted, there are no areas of concern.

Scott Aker provided a brief update on the various COVID-19 funding sources for emergency rental assistance and emergency food assistance. The numbers are similar to the August 2020 update, with the exception that staff are starting to utilize CARES Act funding via the Housing Choice Voucher Program, with expenditures of approximately \$43,000. Scott reminded the Board the deadline for spending these funds is extended through December 31, 2021, and staff plans point to much of the funding being utilized in 2021. The last two months have not seen much demand for emergency rental or food assistance; but, staff anticipates a change in demand when COVID cases rise in Mesa County. To Jody Kole's question regarding the reasons why rental assistance has not been in high demand (whether it is people going back to work or if they have exhausted eligibility), Scott and Suzy Keith indicated that both considerations apply. Suzy indicated that so far in October, no one has applied for assistance. However, she agreed that if case counts rise and employment is impacted, staff anticipate more demand for assistance.

Supportive Services Update

Scott referenced the update memo included in the board packet, and indicated he would provide highlights and answer questions. Regarding the Service/Care Coordination Expansion Initiative, Scott reported that earlier today, staff received notice from United Health Care's Contract Manager that the requested changes from GJHA have been accepted, and the team is down to two items to negotiate, both addressing indemnification and liability issues.

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There is a change in approach regarding staffing the Service/Care Coordination Expansion. In earlier updates, staff indicated that two (2) new positions would be added to the Service Coordination Team to do this work. The team currently employs four (4) Service Coordinators, one at each of the following senior/disabled properties: Ratekin Tower Apartments, Walnut Park Apartments, Nellie Bechtel Apartments and The Highlands 1 and 2. After careful analysis of each property's ability to support these services and discussion with the Service Coordination Team, all agree that the most responsible approach to this initiative is to hire one (1) new position, dedicate two (2) team members to the expansion and dedicate three (3) people to providing Service Coordination at the properties. All current team members are eager to receive Care Coordination training from United Health Care/Rocky Mountain Health Plans.

Scott updated the group regarding the community's interest in working with Len Nichols of the Urban Institute to implement a financial model to identify organizations that benefit from the provision of public goods and a mechanism to allow them to bid privately for the amount of investment they would choose to make to help provide the needed service. The model creates a broader opportunity for multiple organizations to recognize a Return on Investment and, therefore, bid to help provide services. While COVID has caused significant delay in the community's engagement with Mr. Nichols, the work continues. The GJHA Service/Care Coordination Expansion Initiative is the project Mr. Nichols and other community partners have selected as the first use of this model.

To Rick Taggart's question regarding why the contract has not been finalized, Scott indicated the negotiation issues are with United Health Care, not Rocky Mountain Health Plans, and that the issues focus on contract template language references to federal and other statutes that do not apply to GJHA, primarily because the template is designed with health care delivery systems in mind, not a public housing authority. Jill Norris added that she is working to add reciprocal indemnification language to assure that both parties are indemnifying each other.

Chris Launer mentioned that he met Len Nichols during Chris's service on the Rocky Mountain Health Plans Board, that Len Nichols is a nationally-recognized expert and that Chris applauds the effort to work with Len on this project. Scott commented that he appreciates the expertise, objectivity and rigor Len is adding to this work.

Scott provided a brief update on the United Health Care Housing + Health Initiative. This is a program United delivers in several cities, predominantly in the southwestern portion of the United States. Through this program, United identifies members who are utilizing the health care system at extremely high levels, and through research United has determined that by providing housing stability and strong wrap-around services for up to

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two (2) years, the trajectory of the individual's life, and use of the health care system, can be impacted. The program will serve up to ten (10) individuals at any one time. Usually individuals will be referred to the program out of the hospital system. GJHA staff will provide assistance to locate housing. Hilltop Community Resources will provide ongoing case management and peer support. The Colorado Division of Housing (CDOH) is providing five (5) state-funded vouchers for this effort. United will pay rent for the other five (5) individuals as well as all housing start-up costs, including deposits, furnishings and internet service. GJHA will be paid a one-time administrative fee for each individual served. That amount will vary, but typically will be between \$800-\$1,200 per person

Scott updated the Board regarding GJHA's participation in the Community Resource Network (CRN), which is a companion data system to the Quality Health Network (QHN). GJHA staff will not have access to individuals' medical records via the CRN. The CRN is designed to bridge the communication gap between the medical community and social services agencies. All participation in the CRN system occurs with individual consent. Typically, GJHA's participation will be via referral versus GJHA adding new individuals into the system. GJHA has been a beta-test site. The system is live and staff will continue to provide updates.

Housing Choice Voucher Program Update

Racquel Wertz provided an update memo to the Board, indicating that staff continue to work to lease up as many vouchers as possible, while simultaneously watching the per-unit cost (PUC) as that continues to increase due to a tight rental market and increased payment standards. The Voucher Team is also seeing PUC increases in some cases due to individuals being unemployed or having their work hours reduced. Those losses of income and lower ability to share in rent expenses can mean an increase in the monthly payment through the Voucher program.

Other Business

- The Board confirmed December 14 as a good date for the combined November/December meeting. Rick Taggart mentioned he may not be able to make the meeting if City Council schedules a workshop on this date.
- Jody has been informed that interviews are being scheduled for potential new board members. John mentioned that he believes his term ends 10.31.2020. Jill indicated the Bylaws states a commissioner serves until their replacement is appointed.
- Linden Pointe Apartments – Scott updated the board regarding water leaks under the foundations of three (3) buildings. The issue primarily affects the pipes for the first-floor apartment units; but, some piping for the 2nd floor units run underground as well. Staff will be asking for the Board's ratification of the use of

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emergency expenditure authority under the Procurement Policy. The preference is to address the issues for the D, E and F Buildings before December 31, 2020. Given the estimated costs to do this work, staff does not have time to put this work out to bid. Staff provided a memo on this matter. Early cost estimates suggest between \$70,000 - \$80,000 for the three buildings.

- Discussion ensued regarding the possible causes of the corrosion of the copper pipes underground. Ivan suggested further assessment of the issue by corrosion experts.
- Discussion ensued regarding this item being included in Other Business and not specifically posted on the agenda. The Board concluded that the item should be brought for ratification at the December 14, 2020 Board meeting.

Executive Session

At 6:13 pm a unanimous roll call vote was taken to move into Executive Session for a conference with the Housing Authority's attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) related to pending litigation with Philadelphia Indemnity Insurance Company.

The Executive Session concluded and the Board returned to the open meeting at 6:31 pm. Participants in the Executive Session included John Howe, Ivan Geer, Rick Taggart, Chris Launer, Tami Beard, Tim Hudner, Bill Johnson, Jody Kole, Scott Aker, Lance Lehigh, Jill Norris, Suzy Keith and Krista Ubersox. With no registered concern over the discussion during the Executive Session the Open Board Meeting continued.

Bill Johnson made a motion to ratify the settlement and term sheet between GJHA and Philadelphia Indemnity Insurance Company and approval of Resolution 2020-10-02, Ratifying Term Sheet Between Grand Junction Housing Authority, Arbor Vista LLLP, Village Park LLLP, Linden Pointe LLLP and Philadelphia Indemnity Insurance Company. Tim Hudner seconded the motion, which passed with a unanimous roll call vote.

Jody Kole asked Tim Hudner to join the Board during the beginning of the December 14, 2020 meeting to receive a gift of gratitude for his service on the Board, since the group could not meet in person today. Tim thanked the group, saying it has been a great twelve years amidst several significant challenging times.

With no further business or discussion, the meeting was adjourned at 6:38 pm with a motion by Ivan Geer, second by Bill Johnson and unanimous vote.

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