

MINUTES

Grand Junction Housing Authority
August Board of Commissioners' Regular Meeting

Tuesday, August 3, 2021

Call to Order

The GJHA March Board of Commissioners' Regular Meeting was called to order at 5:01 pm by Ivan Geer, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Ivan Geer, Board Chair
Rich Krohn, Vice Chair
Chuck McDaniel
Chris Launer
Tami Beard
Bill Johnson
John Howe

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Lance Lehigh, CFO
Jill Norris, General Counsel
Danette Buck, Asset Manager
Krista Ubersox, HR Director
Racquel Wertz, Voucher Supervisor
Lacy Hildebrand, Executive Assistant

Guests:

Kristen Ashbeck, City of Grand Junction
Jaime Gomez, Colorado Housing and Finance Authority
Jerilynn Francis, Colorado Housing and Finance Authority
Margie Joy, Colorado Housing and Finance Authority

Consent Agenda

The Consent Agenda consisted of: (1) Request adoption of Minutes for July 6, 2021, Board Meeting, and (2) Request adoption of Notes of the Finance and Audit Committee for July 27, 2021. With a motion by John Howe, second by Rich Krohn and a unanimous roll call vote, the Consent Agenda was approved.

Discussion of Grand Valley Housing Needs Assessment Strategy

- Kristen Ashbeck, City of Grand Junction – Housing Authority and MCPH helped fund the housing needs assessment. This covers demographic and economic profile, housing market analysis, special interest populations, and community engagement here in Mesa County. The initial assessment was valley wide. Since 2015, Mesa County has experienced a positive net migration of around 1,500 residents per year year. Adults aged 65 and older had the fastest growth among age cohorts and adults between 75 and 84 years old are projected to have the fastest growth rates over the next 5 years.
- The poverty level statewide is about 10% and Mesa County at least doubles that. The poverty level in our community has steadily increased in the Valley since 2010. Currently, 50% of the children in Mesa County are eligible for free

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or reduced lunch. Homeowners' vs renters' income is about 20% lower than the state median income.

Most of Mesa County's homes are single family homes and there is a shortage of multi-family homes. Mesa County residents' income is considerably lower than the state median income.

- 75 percent of our homes that are affordable are being cash financed which is making it very difficult for low-income families to buy a home. The rental income is way below average as well and the vacancy rates are very low right now. The median price for homes in Mesa County is \$315,000 YTD. Transportation costs are very high in Mesa County and equate to 25% of the household expenses. 40% of Mesa County renters earn \$25,000 or less a year and need rental units of \$625 a month or less to avoid being cost burdened.
- Special needs populations – There are approximately 28,000 seniors or compromised adults which makes up about 18% of the population in Grand Junction. Approximately 15% of our population is disabled.

Median earnings for residents with a disability is \$16,806 annually. Households that make below \$35,000 face more challenges to pay rent and other expenses.

Voucher holders are facing many challenges and struggle to find landlords willing to accept the vouchers. Others have difficulty even obtaining a voucher.

During the community engagement process, there were 1,853 responses to the resident survey. Kristen feels this is a good response from the community. The greatest share of renters who want to buy have not yet done so because they do not have the down payment, low credit scores and high debt levels. Results say the need for affordable housing for lower incomes is the largest need.

Top needs in housing are additional affordable rentals, starter homes, family homes priced near or below \$250,000, housing resources for special needs populations, and diverse housing options to accommodate evolving needs. The housing assessment also made an outline of strategies to address our community's needs. One strategy was to implement land use code changes that facilitate affordable housing development and housing diversity. Another was to encourage development incentives, by allocating city owned land and creating a dedicated revenue source to address our many housing challenges in the next 1-2 years. In 3-5 years, the plan recommends City resources be dedicated to provide more financial support, support of land acquisition, explore designation of an urban renewal area / tax increment financing,

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educating the community on housing needs, consider implementation of inclusionary housing/linkage fee ordinance.

Jody asked whether the city looked at a fee in lieu of units. Kris said yes, they have.

The report is available on the City's website and the city hopes to adopt it in September 2021. Scott has a copy of the slide show.

The Assessment contains 13 strategies in total and Ivan asked if the City will be able to be effective in executing these 13 strategies. Kris answered that yes it will have its challenges, but they are confident it can be done.

- Following the conclusion of Kristen's presentation, Kristen and the CHFA guests left the meeting.

Finance and Audit Committee update

Second quarter financials ending June 30th, 2021 – Tami began the discussion and then turned it over to Lance. Tami added GJHA is in good shape financially. There are a few outliers that have slowed like Ratekin Towers. Lincoln was in a negative cash flow position for the period. Overall assets have increased as well as reductions in liabilities and maintenance. Chris asked where we are with our eviction list now that the eviction moratorium is over. Danette said we currently have 8 tenants who are delinquent out of our entire portfolio. Danette has approved more rental assistance to assist in the past due balances. Jody and Jill added that the CDC is looking to extend the moratorium through December, but the legality of the moratorium is still in litigation. Non-operating expenses continue to exceed income but is expected to change with budget revisions. Clarity of budget policy was proposed by staff for a future meeting regarding budget corrections.

- Rent Collections – Overall rent collections remain relatively stable with some issues remaining at select properties.
- Rent Stress Analysis – Lincoln saw negative cash flow for the period due to meth remediation and reconstruction with days of cash on hand still in good shape.
- Compensation Study –The proposed pay structure will support staff compensation in the lower pay grades by elevating them to market levels. Staff is now modeling the 2022 budget with wage increases for board consideration. Krista added that we will be considering a base pay increase or merit increase. Krista feels it should be one or the other not a combination of the two. The last time GJHA did a compensation study we were at 91% of the market and this study placed Grand Junction at 95% of market, which is an accomplishment. Candy, our consultant from Compensation Studio, joined virtually to respond to any further questions. Scott expressed gratitude for the hard work that everyone put into updating this study and policy. Scott also added that this pay structure

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provides more promotional opportunity for employees as an addition pay grade was added.

The Finance committee offered a recommendation for approval of the 2021 2022 Compensation Plan starting with the pay period beginning September 4, 2021. A motion to approve the Compensation Plan was made by Chris Launer, seconded by Bill Johnson and approved by a unanimous roll call vote. Chris Launer made a motion to accept the 2nd quarter 2021 financials, seconded by Bill Johnson and approved by a unanimous roll call vote.

Housing Choice Voucher Payment Standards Update

Racquel Wertz stated that staff had a call with our HUD representatives regarding our slowing lease up of vouchers. The challenges of a consistently rising rental market and a shortage of rentals have contributed to the slow lease-up. HUD is required to publish Fair Market Rents (FMRs) at least annually. Staff requested the Boards approval to raise current Payment Standard to bring it up to 110% of FMR. This will bring our program-wide payment standard up by about \$13,000 per month. The success rate for GJHA voucher holders is only 42.34% and we are behind the national average. This higher payment standard will enable our Voucher-holders to have a higher success rate. GJHA has the financial resources to make this adjustment and this step will ensure our ability to lock in funding for next year as well. Staff is seeing a rental shortage especially for 1-bedroom units. Scott added the combination of all these variables are proving successful.

Approval of Resolution No. 2021-08-01 Resolution Approving Payment Standards for the Housing Choice Voucher Program Effective September 1, 2021

Rich Krohn made a Motion to approve Resolution No. 2021-08-01 Resolution Approving Payment Standards for the Housing Choice Voucher Program Effective September 1, 2021. The Motion was seconded by Chris Launer and approved by a unanimous roll call vote.

Other Business, if any:

Jill informed the Board that the CDC just issued another 60-day eviction moratorium.

Lance added that he has received the GJHA audit from Novogradac and it is finalized. Due to timing, staff was not able to add this to the agenda. A special board meeting will be scheduled to accept the final audit on or before August 31st to meet some regulatory deadlines.

Jody added she has been asked to possibly sit on a committee organized by Senator Bennet to address housing issues.

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Chris added our number one priority is to look for land and asked if Jody is serving on committees, will that effect our goal? Jody assured the Board that the search for land would continue., GJHA has a realtor working on this and we will not fall behind on acquiring land. The Board had a lengthy discussion about code, procedure and challenges we face to obtain affordable housing.

Adjourn

With no further business or discussion, the meeting was adjourned at 6:48 pm following a motion by Rich, a second by John, and approved by a unanimous roll call vote.

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