

## MINUTES

Grand Junction Housing Authority  
February Board of Commissioners' Regular Meeting

Tuesday, February 1, 2022

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### Call to Order and Roll Call

GJHA's Board of Commissioners' Regular Meeting was called to order at 5:00 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, (virtually)  
Chuck McDaniel  
Chris Launer  
Tami Beard  
John Howe  
Bill Johnson

#### GJHA Staff:

Jody Kole, CEO  
Scott Aker, COO  
Shelley Carpenter, Controller  
Jill Norris, General Counsel  
Danette Buck, Asset Manager  
Krista Ubersox, HR Director  
Sheila Brubacher, Accounting Supervisor  
Kevin Sperle, IT Supervisor (Virtually)  
Racquel Wertz, Voucher Supervisor

A member of the public, Diana, was acknowledged by Ivan Geer as attending the meeting virtually.

### Consent Agenda

The Consent Agenda consisted of: Request adoption of : (1) Minutes of November 9, 2021 Special Board Meeting; (2) Minutes of December 9, 2021 Regular Board Meeting; (3) Minutes of January 4, 2022 Regular Board Meeting; and (4) Minutes of January 20, 2022 Special Board Meeting. With a motion by Chris Launer, second by Chuck McDaniel and a unanimous vote, the Consent Agenda was approved.

### Finance Items

Due to scheduling conflicts, the Finance and Audit Committee did not meet in January. Finance Items discussed during the Board Meeting are as follows:

#### Discussion of Preliminary 2021 Year-End Financial Statements

Shelley Carpenter opened the discussion, informing the board that the financial statements are preliminary, and that the financials in their current form were sent to Novogradac, the auditing firm retained by GJHA, to begin the audit process.

Tami Beard joined the meeting in person at 5:05 pm.

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Shelley continued the discussion. Overall, the organization ended 2021 and begins 2022 in a very strong position. Operating expenses were managed well, leaving the total cash balance at the end of the year \$206,000 above the year-end amount for December 2020. Year end 2021 total cash balance is \$4,269,000.

Program highlights in 2021 include:

- The sale of the Bookcliff Squire property provided proceeds of \$380,135
- Monument Business Center paid in full its payable to the General Fund of \$41,856
- Roof replacements at Walnut Park, costing \$120,661 *(Note as of 3.29.22 – staff acknowledge this number was included in the 2.1.2022 memo in error. The actual total cost of roof replacements in 2021 was \$210,413)*
- The purchase of a vehicle for the Vouchers program
- Fourth quarter salary adjustments and bonuses
- Full utilization of additional Voucher Housing Assistance Payment (HAP) and Administrative resources via the CARES Act
- Overall operating revenues of \$15,303,905 exceeded budget by \$193,773 (1.3%)
- Overall operating expenses of \$14,329,103 were under budget by \$815,848
- Overall Net Operating Income of \$974,000, which is \$1m more than budgeted

### Rent Collections Update

Shelley presented the year-end analysis. The data show past due prior amounts unpaid as well as current amounts. Certain properties have experienced uncollected rents, and there have been several evictions and deaths in the fourth quarter of 2021. Total vacancy loss for December 2021 is 2.8%, which is slightly higher than previous months and for 2020, but overall this metric remains low for the portfolio. The group noted the impacts of the pandemic, eviction moratoria, federal and state emergency rental assistance and certain tenant behaviors on both the challenge to forecast rental income and, in some cases, managing to those numbers. However, overall, the portfolio has performed well during these difficult times. Tami Beard commented that GJHA's rental collection patterns are no different than she is seeing in the broader marketplace.

### Rent Stress Analysis Update

The break-even analysis continues to show strong performance across the portfolio.

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### COVID Funding Update

Regarding CDBG-CV funding, Shelley explained the transfer of \$52,223 of the \$123,653 GJHA award to Catholic Outreach, given consistent under-utilization of these funds by GJHA and broader community demand. GJHA will retain \$15,000 for its use.

Cares Act funding has all been utilized. Scott Aker mentioned that the new phone system, which will be installed in early 2022, was intended to be charged to the Cares Act, but the timing of the procurement process did not allow for that to occur. The approximate \$40,000 for the system will be charged to Voucher Administrative funds. Jody Kole added that the additional Cares Act funding for Voucher administrative expenses in 2021 effectively creates additional surplus because the regular Voucher Administrative funding was not decreased.

### 2814 Amended and Restated Budget

As part of the transition to permanent financing for this property, staff worked with the Colorado Housing & Finance Authority and Wells Fargo, the investor, in a full review of the original operating budget. That analysis produced some changes to the operating budget to align the budget with the Debt Service Coverage Requirement of 1.15X at year 15. As a result, staff are presenting an amended and restated 2022 budget for the property. In addition to updated revenue and expenditure projections using current data, staff also increased the number of project-based vouchers at 2814 from eight (8) to twenty-one (21). The recommended changes to the property's budget result in a change in Net Operating income from the original budget of \$101,829 to the proposed amended and restated budget of \$139,590, an increase of \$37,761.

Staff recommended adoption of Resolution 2022-02-01, *Adopting Amended and Restated Budget for Calendar Year 2022 for 2814 LLLP*. With a motion by Tami Beard, second by John Howe, and unanimous vote, the Board adopted Resolution 2022-02-01.

### Housing Choice Voucher Program Update

Racquel Wertz opened the conversation, indicating Calendar Year 2021 financial utilization of Housing Assistance Payments resources at 97.7%, which is slightly less than what the team had hoped. However, with several deaths in the program, new emergency housing vouchers issued to GJHA by HUD that required significant staff time to process for client use and a continuing tight rental market, this level of utilization is commendable for the staff. In 2022, several properties will see additional project-based vouchers, which will assist with overall utilization and the financial stability of the properties.

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Currently, staff are conducting a purge of the wait list, which will result in higher response rates and utilization by people who remain on the list and are actively working with GJHA to obtain a voucher. Racquel also mentioned the full utilization of Cares Act funding, \$230,549 of which was spent on direct pandemic-related items and \$180,611 of which was spent on normal Voucher Program administrative costs. The result is an increase in Voucher Program Administrative Reserves, which currently are nearly \$1 million. While HUD has not yet signaled possible recapture of a portion of those reserves, staff are mindful that a recapture is possible, and appropriate use of the reserves will be part of the strategy in 2022. Jody indicated some concern that a recapture could be possible within the next two years, and staff will continue to monitor and provide updates to the board.

### **Other business, if any**

Krista Ubersox reported that HUD notified GJHA that it is not subject to the federal administration's COVID vaccine mandate. However, three (3) employees are required to be vaccinated under United Health Care's mandate, given the contractual relationship with United Health Care. Krista indicated GJHA is concerned that one (1) of the employees may choose to terminate employment with GJHA due to the United mandate.

Rich Krohn joined the meeting at 5:45 pm, virtually

### **Executive Session**

At 5:46 pm, with a motion by Ivan Geer and a unanimous roll call vote, the Board entered into an Executive Session for for the purpose of 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 the Housing Authority's ongoing efforts to acquire vacant land for development of future apartment communities.

The Executive Session concluded at 6:32 pm, and the open meeting was reconvened at 6:32 pm. Participants in the Executive Session included Ivan Geer, Rich Krohn, Chris Launer, Chuck McDaniel, Tami Beard, John Howe, Bill Johnson, Jody Kole, Scott Aker, Jill Norris, Krista Ubersox, Shelley Carpenter and Danette Buck. There were no registered concerns regarding the discussion during the Executive session.

### **Adjourn**

With no further business or discussion, the meeting was adjourned at 6:33 pm following a motion by John Howe, a second by Chuck McDaniel, and a unanimous vote.

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