

August Board of Commissioners' Regular Meeting Minutes
Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

August 8, 2023 at 5:00 p.m.

1. Call to Order and Roll Call

The August 8, 2023, Regular Meeting of GJHA's Board of Commissioners was called to order at 5:00 p.m. by Rich Krohn, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Rich Krohn, Chair
Bernie Buescher, Vice Chair
Chuck McDaniel
Tami Beard
John Howe
Bill Johnson
Ivan Geer

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Shelley Carpenter, Controller
Jill Norris, General Counsel
Krista Ubersox, Asset Manager/Acting HR Director
Desirae A. Garman, Paralegal

A member of the public, Cheryl Van Dyke, was acknowledged as attending the meeting in person.

2. Disclosure of Direct or Indirect Conflict of Interest

None.

3. Finance and Audit Committee Report

Bernie Buescher opened by stating that all committee members were present at the August 1, 2023, meeting of the Financial and Audit Committee. The Committee is recommending approval of the 2nd quarter financials. Shelley Carpenter reviewed the financials that were discussed during committee meeting.

Shelley Carpenter advised the Board that it appears that GJHA had a decrease in cash, but that is because we transferred \$5,700,000 from a regular cash account to CD's, regular Money Market and a Non-Interest-Bearing Checking Account. We also transferred some operating reserves on tax credit properties from regular Non-Interest-Bearing Checking Accounts to CD's.

Net operating income on all GJHA owned properties and tax credit properties are positive to budget. Rental income is positive to budget due to low vacancy rates. We also had some rent increases in 2023. On the expense side, both maintenance and compensation are positive to budget. We have increased our maintenance projects in the second quarter and

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will continue that in the third quarter. However, it appears that we will remain under budget for the remainder of the year. Shelley also reviewed the debt service coverage ratio for all properties, and all are exceeding expectations.

Bernie Buescher asked if Staff are concerned about deferred maintenance at any property. Staff responded that larger projects are in the planning stages and the maintenance team is managing emergency and regular work orders in a timely manner. Additional interest that we are earning generated approximately \$30,000 during the second quarter.

Bernie Buescher made a motion to approve GJHA's Second Quarter Financials. With a second by Ivan Geer, the Second Quarter Financials were approved by a unanimous vote.

4. Real Estate Committee Update

Staff is asking the Board to revisit its policy on entering into Special Limited Partner transactions. GJHA's property and sales tax exemptions make it easier to finance affordable housing developments. GJHA may want to consider it if we think about who the property would be serving, what the viability of the property is, what the housing authority's role in the project would be, or if we might have the first right of refusal to purchase the property at the end of the 15-year holding period.

It may be time to give it another look and see what makes sense in the world of affordable housing. It was recommended by the Real Estate Committee to ask Staff to do some research on the possibility of changing GJHA's practices and policies on this subject. Rich Krohn explained his pros and cons of going forward with this option.

During the Real Estate Committee Meeting, Bernie Buescher made a motion to recommend asking staff to provide their research and analysis of the matters discussed during the Real Estate Committee meeting and to make an informed recommendation regarding revisiting this policy. Following a second by Tami Beard, the motion was passed by a unanimous vote.

Bernie Buescher stated that the political climate may need to be considered due to upcoming legislation updates. Ivan Geer voiced his concerns and stated he thinks GJHA would need a strong argument to provide a for-profit developer with these tax exemption benefits because it affects local revenue. Randall Reitz said he left the Real Estate Committee meeting with the understanding that we would re-open discussion and possibly create a standard for whom we would partner with, setting a pretty high bar, on these efforts. John Howe stated when revisiting the idea to update or change our policies, we need to think about the reason why GJHA should participate in a project like this, other than any monetary benefit. Tami Beard asked that as we revisit the policy, we need to make sure that the goal is to provide affordable housing. She would not want to support a

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developer that would take away our ability to develop and control our projects. Jody Kole requested that if a Board Member had any addition questions, to please email them to her so we do not miss any key questions they may need to be addressed.

5. Other business, if any

None.

6. Adjourn

With no further business or discussion, Bill Johnson made a motion to adjourn. With a second by Bernie Buescher, and unanimous roll call vote, the meeting was adjourned at 5:28 p.m.

All Board packet documents and documents distributed
during the Board Meeting are retained at GJHA.