

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

8 Foresight Circle, Grand Junction, CO 81505

January 30, 2024 at 6:00 p.m.

1. Call to Order and Roll Call

On January 30, 2024, the January 2024 Rescheduled Regular Meeting of GJHA's Board of Commissioners' was called to order at 6:00 p.m. by Rich Krohn, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Rich Krohn, Chair
Randall Reitz
John Howe
Bill Johnson
Ivan Geer

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Sheila Brubacher, Acting Controller
Jill Norris, General Counsel
Krista Ubersox, Asset Manager
Ashleigh O'Leary, HR Director
Kevin Sperle, IT Supervisor (Virtually)
Brian Rushe, Development Director
Kate Schaneman, Business Operations Assistant

This meeting was rescheduled from January 9, 2024.
Bernie Buscher joined the meeting virtually at 6:05 p.m.

2. Disclosure of Direct or Indirect Conflict of Interest

Bernie Buescher disclosed that his wife is on the Western Colorado Community Foundation. Jill Norris opined that she does not believe it is a conflict on GJHA's end.

3. Discussion and adoption of 2024 Board and Committee Schedule

Jill Norris presented the request for the adoption of Resolution No. 2024-01-01 Designating the Location for Posting of the Notice of Meetings and Establishing a Meeting Schedule for 2024 for the Board of Commissioners of the Grand Junction Housing Authority. The posting sites for the meeting notices are in the Grand Junction Housing Authority lobby at 8 Foresight Circle, Grand Junction, CO 81505 and on the GJHA website. The schedule for the Regular Meetings of the Board of Commissioners and the Finance and Audit Committee were presented. John Howe moved to approve Resolution 2024-01-01, with the amendment to correct the 1/30/2024 time from noon to 6:00 p.m. which was seconded by Ivan Geer. There was no discussion and with a roll call vote, the motion was approved unanimously.

4. Election of Board Officers and Appointment of Committee Members for 2024

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Jill Norris explained that typically, the Board elects the Chair and Vice Chair and they usually serve in those roles for two one-year terms. Rich Krohn, Chair and Bernie Buescher, Vice Chair have both served one year, and confirmed that they are both willing to continue serving in those positions for the coming year. Ivan Geer moved to nominate Rich Krohn as Chair and Bernie Buescher as Vice Chair, which was seconded by Randall Reitz. There were no other nominations or discussion. Following a roll call vote, the motion was approved unanimously.

The Board has three standing Committees: Executive Compensation Committee, Finance and Audit Committee and Real Estate Committee. The Executive Compensation Committee considers and makes recommendations to the Board regarding compensation for the CEO for the following year. The current Committee is made up of the current Chair (Rich Krohn), the current Vice Chair (Bernie Buescher), the past Chair (Ivan Geer), and the HR Director (Ashleigh O'Leary). There were no objections to this committee continuing with the same composition, so it will continue as constituted.

The current Finance and Audit Committee consists of Bernie Buescher as Chair, Bill Johnson, John Howe, and Leora Ruzin. Rich Krohn has advised that he is willing to join that Committee in the coming year. Current members present did not object to serving on the Committee for 2024. Rich Krohn said that he would speak with Leora Ruzin to be sure that she would continue serving on this Committee.

The current Real Estate Committee consists of Rich Krohn as Chair, Bernie Buescher, John Howe, Bill Johnson, and Leora Ruzin. 2024 will consist of several Real Estate Committee meetings due to the CHFA application, the 24 Road property, and other potential development sites. Rich Krohn re-appointed all current members for the 2024 Real Estate Committee and will consult with Leora Ruzin to be sure she is willing to continue serving on this Committee as well.

5. Development Update

The Grand Junction City Council voted unanimously, 7-0, to invest \$1,500,000 in The Current.

GJHA staff is asking the Board to invest \$3,000,000 of GJHA's cash reserves, which is essentially the sum of the proceeds from the sale of Courtyard and Lincoln, a Deferred Developer Fee of \$440,000, and a gap loan of \$324,000. This is the combined value of the expected increase of the Colorado Department of Housing (CDOH) housing grant cap and Western Colorado Community Foundation's donation. Rich Krohn clarified this by saying the \$3,000,000 is real money out of GJHA's pocket. The \$440,000 deferred developers fee is money that GJHA will earn with the success of The Current, and is not money out of GJHA's current available funds. The \$324,000 does come out of GJHA's pocket if the grants from Western Colorado Community Foundation and CDOH are not awarded to GJHA.

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At 6:19 p.m. Kevin Sperle came in to disclose that the Board Meeting lost audio online, and Bernie Buscher was now offline and not participating in the meeting. Rich Krohn requested recess for a few minutes to get everything back online and to get Bernie Buscher reconnected to the meeting. Bernie Buscher rejoined the meeting, and the meeting was resumed at 6:21 p.m.

Staff has contacted funders, lenders, and equity investors. National Equity Fund (NEF) offered 92 cents on the dollar, which equaled Enterprise. GJHA has 4 or 5 loan commitments from local lenders. Staff will need to submit credible letters of interest from these funding sources. The grants from other funders come to GJHA, who then loans the funds to the limited partnership that ultimately owns the property. The AMI and number of units are fixed as soon as the CHFA application is submitted. The budget includes a contingency and an owners' soft contingency. The owner does not currently have a hard cost contingency in the budget. If there is any money saved, the City asked if they would get some of their money back. Jody Kole thinks GJHA should create a contingency account to create some cushion, instead of returning funds to the City in case something goes wrong with the development. Staff will continue with value engineering and to seek additional funding sources to try to improve the financial picture. Rich Krohn does not want to see the General Fund take a hit. GJHA has been on time and close to on budget with this general contractor on previous projects. If Staff can lease up quickly then that is advantageous to GJHA. Ivan Geer inquired about drafts of the application. Leslie Henderson, one of the contractors on the project, is working to finalize the initial draft. Jody Kole explained the changes in the application checklist.

Sound was lost again at 6:34 p.m. but was restored quickly. The meeting resumed at 6:35 p.m.

Jody Kole explained that insurance rates continue to rise and that is reflected in the operating budget. Ivan Geer requested the final Proforma sooner than later so the Board can see what the Board is approving. Rich Krohn reminded the Board that what they are approving today is not just what is in front of them in the application, but also the \$10,000 application fee. Bernie Buescher briefly explained the return on investment (ROI) for this project. Ivan Geer also commented on the big picture of this ROI. The deferred developer fees will give GJHA a strong ROI as long as GJHA operates the property well for 15 years and continues to have an affordable product for 40 years.

Sound was lost again at 6:47 p.m. and then restored at 6:48 p.m.

Ivan Geer moved to approve Resolution 2024-01-02 Authorizing the Submittal of the Low-Income Housing Tax Credit Application for The Current to CHFA, with a second by Bill Johnson. There was no further discussion, and following a roll call vote, the motion was approved unanimously.

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6. Other business, if any

None mentioned.

7. Adjourn

With no further business or discussion, John Howe made a motion to adjourn. With a second by Bill Johnson, and unanimous roll call vote, the meeting was adjourned at 6:54 p.m.

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