

Board of Commissioners' Regular Meeting Minutes for July 2024

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

July 9, 2024 at 5:00 p.m.

1. Call to Order and Roll Call

GJHA's Board of Commissioners' Regular Meeting was called to order at 5:11 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
John Howe
Bill Johnson

GJHA Staff:

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

Randall Reitz joined the meeting in person at 5:17 p.m.

Ashleigh O'Leary, HR Director joined the meeting in person at 5:18 p.m.

A tenant from Ratekin Tower Apartments, Karen Massey, attended the meeting.

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Consent Agenda

The Consent Agenda consisted of the Minutes of the March 12, 2024, Board of Commissioners Regular Board Meeting. With a motion by Bill Johnson, a second by John Howe and a unanimous vote, the Consent Agenda was approved

4. Finance Items

There was no Finance and Audit Committee Meeting this month, so Sheila Brubacher updated the Board about other finance items. She began the discussion with information on the Next Step, Tenant Based Rental Assistance (TBRA) program. This program has carried a payable to the General Fund from December of 2010 through December of 2021, at which time the program's major functions were transferred from GJHA to the Mesa County Workforce Center. The payable, which grew over time because of the difference between actual expenses and reimbursements from the Colorado Division of Housing continued to increase, is \$85,475.07. Staff agree the program will never have the funding to repay this debt. Staff are bringing it to the Board for approval for debt forgiveness to the General Fund

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and, with Board approval, will write it off. Next Step does not qualify for the Voucher resources to fill the funding gap. The ask is to consider this item as unpayable. As this payable is on both the Next Step and General Fund balance sheets, this action will not negatively impact the General Fund operating statement. Bernie Buescher made a motion to adjust the balance sheet of the General Fund to reflect debt forgiveness of the Next Step payable to the General Fund in the total amount of \$85,475.07. Bill Johnson seconded the motion, and the motion passed unanimously.

The days cash on hand report was reviewed. The numbers presented were as of April, but Sheila Brubacher stated that moving forward, this will be part of the quarterly report. Sheila spoke with the auditors to see what the average cash on hand should look like. They said it varies, but GJHA's report looked like it is in great shape. Bernie Buescher said that in his experience anything over 50 days is very healthy.

Krista Ubersox updated the Board on the most recent findings of methamphetamine at Ratekin Tower. The previously scheduled elevator upgrades at Ratekin have been put on hold until the meth remediation is complete. The cost of the elevator upgrades will be coming out of replacement reserves, which is not reflected on the days cash on hand sheet. Krista and Sheila Brubacher are still working to confirm if the cost of the meth remediation will come out of the cash that is included on the cash on hand sheet. An insurance claim has been filed. Staff has also discovered meth at Crystal Brook. The contamination is throughout the unit and on the personal property of the tenant. Although Krista does not yet know how much the remediation and reconstruction will cost, she stated that it will be expensive. GJHA is still working to get possession of the unit and will have more information once they do. Crystal Brook is in a good cash position so that part is not as worrisome.

GJHA is embarking on a project at Crystal Brook to re-route the Orchard Mesa Irrigation District return ditch that will be mostly sourced by grant funding from the City of Grand Junction. As for other capital projects at Crystal Brook, roofing has been on list and will need to be addressed at a later date. Staff has been incrementally replacing swamp coolers. The parking lot may need to be addressed in 5-10 years along with exterior paint and decking.

5. Development Update

Jody Kole explained that the DOLA application was not going to be submitted because of a lack of available funding. Anyone who was planning on applying for a state grant for a tax credit development now has the opportunity to apply for State Tax Credits, through CHFA, instead. Like the Federal Tax Credits, the State Tax Credits are valued by investors, though at a lower rate. GJHA's application for Federal Tax Credits was for 92 cents on the dollar. Some Federal Tax Credit investors participate in State Tax Credits, and some do not. It just depends on where their tax liability lies. Since GJHA's Federal Tax Credit application was

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submitted on February 1, 2024, the market has changed. the 92 cents on the dollar on GJHA's initial Federal Tax Credit application is now higher than what investors are agreeing to and may be closer to 85-88 cents on the dollar instead. Things are likely to continue changing. The opportunity to apply for State Tax Credits expires on July 12, 2024, at 5:00 p.m. If GJHA does not submit an application for the State Tax Credits or offer an alternative credible financing mechanism by the deadline, GJHA's contingent award of the 9% Federal Tax Credits will disappear. CHFA has told GJHA that within the application that was submitted on February 1st, only certain numbers may be changed. GJHA received an offer from Intermountain Health for a Bridge Loan for the construction period with a lower interest rate over 2.5 years. Staff will need to strategize accurately to eliminate unnecessary costs. Once the State Tax Credits are confirmed by CHFA, staff can begin issuing Requests for Proposals for debt and equity for both the State and the Federal Tax Credits.

Bernie Buescher made a motion to approve Resolution 2024-07-01 Approving and Authorizing an Application for State Affordable Housing Tax Credits for The Current which was seconded by Bill Johnson. There was no further discussion. A roll call vote was conducted, and the motion passed unanimously.

6. Discussion of Qualifications for New Board Members

Jill Norris explained that Bill Johnson will not be applying for a second term on the board. The City Attorney as requested that GJHA submit to the City, a list of board member qualifications, including Resident/Client Board Members. Bill stated that he thinks applicants should be interested in affordable housing and be someone who can talk to and advocate for residents. He has been a tenant for 13 or 14 years and understands finance because of his work history. The group agreed the resident board member should be a tenant/client that is in good standing. Other qualifications mentioned by the Board and by staff that should be considered were financial skills, human services background and/or interest, real estate and other relevant experience. Regular attendance is also important.

7. Other business, if any

- a. Ashleigh O'Leary invited the Board to the staff picnic and the Jackelopes game on July 24, 2024.
- b. Jill Norris has been recommended by staff to represent GJHA at the stakeholder group meeting regarding City of Grand Junction's Impact Fee Study. The Board agreed that Jill would be a great fit.

8. Adjourn

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With no further business or discussion, Bernie Buescher made a motion to adjourn. Following a second by John Howe, and unanimous roll call vote, the meeting was adjourned at 6:20 p.m.

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