

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
April Regular Meeting

Monday, April 28, 2014
1011 North 10th Street
11:30 a.m.

1. Call to Order

Board Chair Chris Launer called the April Grand Junction Housing Authority (GJHA) Board Meeting to order at 11:43 a.m. with the following Board Members present: Scott Aker, Chuck McDaniel, Paul Marx, and Chris Mueller. Barbara Traylor Smith joined the Meeting later. Tami Beard was not in attendance but participated by a teleconference call later in the Meeting. Also in attendance were Staff Members CEO Jody Kole, COO Lori Rosendahl, CFO Karla Distel, and Executive Assistant Kristine Franz, along with GJHA Attorney Rich Krohn.

2. Consent Calendar

Prior to approval consideration of the Consent Calendar, Chris Launer asked that the additional word "former" be added to the February 24, 2014 Minutes stating that former Board Chair Chuck McDaniel called the Meeting to order. The addition will be made.

Chuck McDaniel noted the January 27, 2014 Minutes reflected Barbara Traylor Smith making a motion to approve the Consent Calendar but abstained from voting. Board Members will be more mindful of the process in the future.

Chuck McDaniel inquired about the inconsistency of the Application submittal date versus today's approval date referenced in Resolution No. 04-04-01. The narrative of *Resolution No. 04-04-01 Approving the Grant Application for the Colorado Division of Housing (CDOH) Tenant-Based Rental Assistance Program, aka "The Next Step Housing Program"* indicates a CDOH submittal date of no later than April 1, 2014 with today's Board approval date of April 28, 2014. Lori Rosendahl stated it was timing issue. The Application had to be received by CDOH on or before April 1, 2014 and the next scheduled Board Meeting was not until April 28, 2014. Informing CDOH of this timing concern, GJHA received prior approval from CDOH pertaining to the different dates on the Resolution. The Resolution will have been approved prior to the formal Hearing before the State Housing Board.

In October of 2014, the Board approved the request to reduce GJHA Payment Standards to the same level as the current Fair Market Rents (FMRs) for Mesa County. However, given the average increase in unit rental prices in Mesa County, one-bedroom Voucher Holders are struggling to find units that fall within the current Payment Standard of \$575.

GJHA Staff requested Board approval to increase the Payment Standard to \$630 for a one-bedroom unit.

Is the requested increased one-bedroom Payment Standard of \$630 sufficient, was a question posed by Scott Aker. Lori Rosendahl explained that HUD allows Housing Authorities the ability to set Payment Standards from 90% to 110% of the FMRs. The \$630 reflects 110% and is the maximum amount allowed by HUD.

Chris Mueller expressed his appreciation for the detailed and easy-to-read Minutes.

With no further questions, the Consent Calendar was approved with a motion by Scott Aker, a second by Chris Mueller and a unanimous vote. The Consent Calendar consisted of *Adoption of Minutes of September 23, 2013, October 28, 2013, January 27, 2014, and February 24, 2014; Resolution No. 2014-04-01 Approving the Grant Application for the Colorado Division of Housing Tenant-Based Rental Assistance Program, aka "The Next Step Housing Program; and Resolution No. 2014-04-02 Approving One-Bedroom Payment Standards for the Housing Choice Voucher Program Effective May 1, 2014.*

3. Roll Call to Move into Executive Session to Discuss Real Estate – Specifically Potential Real Estate Acquisition – C.R.S. 24-6-402 (4)(a)

At 11:47 a.m., the group moved into Executive Session with a roll call vote. Kristine Franz left the Meeting.

Barbara Traylor Smith joined the Executive Session at 11:55 a.m. and GJHA Director of Facilities and Development Tim Spach joined the Executive Session at 12:05 p.m.

4. Roll Call to Move out of Executive Session and Return to Open Meeting

With a roll call vote at 12:40 p.m., the group moved out of Executive Session and returned to the Open Meeting. Tim Spach and GJHA Attorney Rich Krohn left the Meeting at 12:42 p.m. Kristine Franz rejoined the Meeting.

5. Report on the Audit of the GJHA Tax Credit Properties via a Teleconference with Mr. Aaron Ness of Eide Bailly

At approximately 12:45 p.m., Board Member Tami Beard joined the Meeting via a teleconference call. Mr. Aaron Ness with Eide Bailly also joined the teleconference call.

Eide Bailly is the auditing firm for GJHA's tax credit properties Linden Pointe, LLLP and Arbor Vista, LLLP. Mr. Ness conducted a review of the audit process and discussed the results with Board Members.

There were no adjusting journal entries, no significant compliance issues, and no deficiencies, so both properties received a "clean" audit opinion. Highlights covered the Balance Sheets; Statements of Operations and Partners' Equity; Statement of Cash Flows; Notes to Financial Statements; Schedules of Maintenance and Operating, Utilities, Administrative, Taxes and Insurance and Interest Expenses; and the Management Letter.

At the request of Lori Rosendahl, Mr. Ness discussed the Tenant File Audit. He stated that 7 tenant files from Linden Pointe and 5 files from Arbor Vista were reviewed and were in compliance with Low Income Housing Tax Credit (LIHTC) regulations from the tenant perspective. There were no findings.

The Board voted unanimously to accept the Audits of the GJHA Tax Credit Properties for Linden Pointe LLLP and Arbor Vista LLLP with a motion by Barbara Traylor Smith and a second by Paul Marx. Aaron Ness ended his conference call participation.

6. Presentation of Financial Statements Ended March 31, 2014 for all GJHA Properties, Crystal Brook, Arbor Vista, Linden Pointe, and Village Park

Karla Distel presented the financial statements for GJHA and its properties and programs as of March 31, 2014. Financials for the Tax Credit Properties represent one quarter of operating results for the year 2014 while the remaining programs present the financial picture for the first half of Fiscal Year 2013-2014. The Budget amounts and Budget variances for the properties do not include amounts recommended for adjustment in the Budget Revisions, presented later in the Meeting under Agenda Item No. 8.

Statements available for Board review included a Consolidated Balance Sheet, a Consolidated Operating Statement, individual program/property Dashboard Reports, a Debt Schedule, and a Cash Reserve Analysis. These Statements are considered unaudited. The Consolidated Balance Sheet and Consolidated Operating Statements were summarized during the presentation.

Highlights of the individual program/property financials include:

- Unfavorable key performance indicators or significant issues for each individual program/property were explained.
- New to the Summary Dashboard Report for programs utilizing grant funding is the Grant Utilization Figure.

- An unusually high unit turn-over rate at Ratekin Tower Apartments explains the high maintenance costs to ready apartments for re-rent. Individuals are aging out, requiring additional medical and/or support care.
- It is anticipated that the ten-year lease with Community Hospital for Monument Business Center will be signed this week. Rent payments begin June 1, 2014. Most GJHA Staff and tenants will be moved out by the end of May.
- Crystal Brook vacancy issues are due to the concentrated focus by GJHA Staff to lease up Village Park units. One outdated unit is being renovated.
- The non-subsidized properties experienced vacancy issues due to Staff efforts to lease up Village Park units. Several units are being updated.
- A requirement for the Walnut Park Apartments Service Coordinator Grant is to undergo an Audit on tenant files. Considerable funds were saved on the cost of the Q.A. Coordinator by utilizing a temporary service agency.
- Currently, vacancy rates are very low at all properties.

With no further discussion, the Financial Statements ending March 31, 2014 for all GJHA Properties, Crystal Brook, Arbor Vista, Linden Pointe, and Village Park were accepted unanimously with a motion by Barbara Traylor Smith and a second by Paul Marx.

At this point in the Meeting, the Agenda was rearranged for discussion of other matters prior to the departure of Board Members

7. Other Business

Schedule Alternate Board Meeting Date

- Due to the regular May Board Meeting date on the Memorial Day Holiday, the May Board Meeting is rescheduled for June 2, 2014 beginning at 11:30 a.m.

Note: The rescheduled June 2, 2014 Board Meeting was cancelled.

8. Presentation of Proposed Budget Revision and Requested Adoption of Resolution No. 2014-04-03 Adopting Revised Budgets for Fiscal Year Ending September 30, 2014

Board Members previously reviewed the GJHA memo dated April 28, 2014 outlining staff recommendations for modification to the GJHA Budget for the Fiscal Year Ending September 30, 2014. The 2014 Budget included all of the programs and properties of the GJHA with the exception of the Monument Business Center, Arbor Vista, Linden Pointe,

and Village Park, which will be presented at a later date. There are no modifications required for the Capital Terrace budget at this time.

Meeting conversation focused on significant differences between the Adopted Budget and the current status and covered the following topics:

- **Discretionary Award**

A proposed 2% salary compensation adjustment for employees was included in the 2014 Adopted Budget that could be distributed beginning in April 2014 if U.S. Department of Housing and Urban Development (HUD) funding permitted. Current financial circumstances warrant this compensation adjustment to deserving employees and will be at management's discretion. This expense moved from the Discretionary Award line item to a Budgeted line item.

- **New Staffing**

A new systems administrator position is being recommended. This position will provide increased in-house support for computer hardware and software issues and reduce external computer support costs. This position will also maximize usage of the existing accounting and property software. The \$75K request for additional software funding in the General Fund Capital Budget has been eliminated.

To assist with the increased workload, a new support position is recommended for Vouchers and Properties.

Due to the decrease in demand and funding for the Home Ownership Program, one housing counselor position has been eliminated.

In summary, the Budget Revisions adjust the Net Income by \$138,497.

The Proposed Budget Revision and *Resolution No. 2014-04-03 Adopting Revised Budgets for Fiscal Year Ending September 30, 2014* were unanimously approved with a motion by Chris Mueller and a second by Scott Aker.

At 1:37 p.m., Scott Aker left the Meeting. Tami Beard ended the conference call participation. A quorum remained.

9. Mid-Year HUD Funding Update

Referencing her April 14, 2014 memo and attached Projected Utilization and Impact on HAP Reserves chart, Lori Rosendahl stated that GJHA received its 2014 funding notification from HUD. Housing Assistance Payments were almost fully funded with a small pro-ration resulting in 98% of GJHA's previous year expenses as funding for Calendar Year 2014. Administrative Fee funding increased from a 69% pro-ration to a 75% pro-ration. The new pro-ration amount and the ability to lease more families will result in increased Administrative Fee Revenue.

Faced with the need to lease families quickly to ensure full use of the 2014 Budget Authority, an ambitious leasing schedule is being undertaken. Approximately 58 Vouchers were issued last week alone.

Lori also mentioned that the Community Development Block Grant (CDBG) request submitted to the City of Grand Junction received full funding of \$50K and will be utilized for swamp cooler replacement and roofing at the Walnut Park Apartments.

Barbara Traylor Smith suggested the funding request for the Giving Adolescents New Goals (GANG) Program be presented to service clubs for endorsement and funding.

10. Other Business

Schedule Strategic Planning Retreat

The group decided to defer scheduling the Strategic Planning Retreat until such time when all Board Members would be available to check calendars.

Note: This item will appear on the June 23, 2014 Board Meeting Agenda.

Colorado & Mountain Plains Joint NAHRO 2014 Annual Conference in Grand Junction

The Colorado & Mountain Plains Joint NAHRO 2014 Annual Conference will be held in Grand Junction this year from May 19-23, 2014.

Lori updated the group on the events and schedules. Board Members were invited to the *VIP Reception* with former Denver Bronco football linebacker Karl Mecklenburg on May 20, 2014 beginning at 5:00 p.m. The location is yet to be determined. *Party with a Purpose* will support GJHA's non-profit Doors 2 Success and the Colorado NAHRO's

Educational Scholarship Fund, and immediately follows the VIP Reception beginning at 6:00 p.m. Silent auction items are needed for this event. Winery and GJHA property tours are also being planned.

Potential Agenda Items for May Board Meeting

Jody Kole briefed the group on two possible items for discussion at the May Board Meeting which include:

- A request from an entity to partner in a project, utilizing the GJHA property tax exemption status.
- A possible sewer line break under the Ratekin Tower building. Extensive investigation is on-going.

Chris Mueller departed at 1:45 p.m. No quorum remained.

11. Adjourn

With no further business, the regular April Board Meeting adjourned at 1:47 p.m.