

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Joint November/December Meeting

Monday, December 16, 2013
1011 North 10th Street
11:30 a.m.

1. Call to Order

Board Chair Chuck McDaniel called to order the joint November / December Board Meeting of the Grand Junction Housing Authority (GJHA) at 11:36 a.m. The following individuals were in attendance: Board Members Scott Aker, Chris Launer, Chris Mueller, and Barbara Traylor Smith; Staff Members CEO Jody Kole, COO Lori Rosendahl, CFO Karla Distel, and Executive Assistant Kristine Franz. Board Members Tami Beard and Paul Marx were not in attendance. A guest, Mr. Doug Karl, Executive Director of HomewardBound, joined the group later in the Meeting.

2. Consent Calendar

Prior to Board approval of the Consent Calendar, additional information was presented to the Board along with questions addressed by either Jody Kole or Lori Rosendahl.

- *Resolution No. 2013-13 Approving an Exemption from Audit for Fiscal Year 2013 for the Downtown Housing Effort, a Joint Venture Between the Housing Authority of the City of Grand Junction, Colorado and the Grand Junction, Colorado Downtown Development Authority*

Jody Kole stated that with both the Downtown Development Authority (DDA) and the GJHA in agreement to dissolve the Joint Venture of the Downtown Housing Effort (DHE), closeout activities are underway. A Dissolution Agreement has been agreed upon with the City of Grand Junction (City) and is ready for signatures. A final accounting will be prepared and attached to the Agreement. GJHA will draw approximately \$2,500 from the joint account to cover costs to collect the remaining two loans outstanding, leaving approximately \$400K to be equally distributed between the DDA and GJHA by month end.

- *Resolution No. 2013-14 Approving Section 8 Management Assessment Program (SEMAP) Certification*

The Section Eight Management Assessment Program (SEMAP) is an evaluation of the Section Eight Voucher Program. The review process is a joint effort by the Department of Housing and Urban Development's (HUD) Office of Public Housing

along with a GJHA self assessment, with each entity examining different tasks. GJHA independent auditors validate the GJHA self assessment. Lori Rosendahl said HUD has completed its SEMAP evaluation of GJHA, and announced that GJHA is designated High Performer once again based on an outstanding SEMAP score of 100%. Congratulations to the employees of the Housing Choice Voucher Program for their hard work.

- *Resolution No. 2013-15 Appointing a New Member to the Doors 2 Success Board*

Lori Rosendahl stated a Board seat on the Doors 2 Success Board is held by a resident participating in a GJHA Program. The resident currently on the Board has graduated from the Family Self Sufficiency (FSS) Program, leaving the Board seat vacant. Mr. Jerry Schafer, a participant in the FSS Program has applied and is recommended to fill the vacancy. Chuck McDaniel serves on the Doors 2 Success Board as the GJHA representative and endorses this candidate.

- *Resolution 2013-16 Authorizing the Write-off of Bad Debts*

The Board reviewed the request to approve a write-off total of \$5,861.26 in bad debt for five tenants. Cost justification included: 1) tenants failed to complete the lease term or pay rent during their final partial month of occupancy, 2) legal fees incurred, 3) a tenant defaulted on a repayment agreement, and 4) eviction expenses consumed the security deposit.

- With no further discussion, the Consent Calendar consisting of *Resolution No. 2013-13 Approving an Exemption from Audit for Fiscal Year 2013 for the Downtown Housing Effort, a Joint Venture Between the Housing Authority of the City of Grand Junction, Colorado and the Grand Junction, Colorado Downtown Development Authority; Resolution No. 2013-14 Approving Section 8 Management Assessment Program (SEMAP) Certification; Resolution No. 2013-15 Appointing a New Member to the Doors 2 Success Board; and Resolution No. 2013-16 Authorizing the Write-off of Bad Debts* was approved with a motion by Barbara Traylor Smith, a second by Chris Mueller, and a unanimous voice vote.

Guest Doug Karl joined the group at 11:50 a.m.

3. Election of Officers of the Board of Commissioners for 2014 Board Chairperson and Vice Chairperson

The Chairperson and Vice Chairperson of the Board of Commissioners of the GJHA are elected each year to serve one-year terms.

Chuck opened the floor for nominations, and stated that the Nominating Committee, consisting of Scott Aker and Chuck McDaniel, recommends Chris Launer for Board Chair and Chris Mueller for Board Vice Chair. Both candidates accepted the nomination. With no further nominations, the nomination process was closed. With a unanimous voice vote, Chris Launer was elected Board Chair and Chris Mueller was re-elected Board Vice Chair for the 2014 year.

Thank you to Chuck McDaniel for serving as Board Chair for the 2013 year.

4. Presentation by Mr. Doug Karl, Executive Director of HomewardBound, Regarding Proposed Family Center/Permanent Supportive Housing Development

Jody Kole welcomed Mr. Doug Karl, Executive Director of HomewardBound of the Grand Valley, Inc. (HomewardBound). Prior to his presentation, he distributed a handout illustrating fiscal year 2013 shelter numbers of people served, comparative costs, and a financial summary. In briefing the group on recent plans for the shelter that provided 49,000 bed nights and 100,000 meals served last fiscal year, he explained the new mission statement of HomewardBound and talked about the new vision of a Family Center Project and a permanent supportive housing development.

Lori Rosendahl explained that Pathways Home is a partnership with the Colorado Division of Housing (CDOH) and the Colorado Housing and Finance Authority (CHFA) and is funded by the state. Because the Western Slope has so little permanent supportive housing, a grant from the state was awarded to Enterprise to assist community partners with the development of permanent supportive housing.

Doug Karl said funding for the HomewardBound Family Center is anticipated to come from the Pathways Home Initiative, Community Development Block Grant (CDBG) funding from the City and private funding financial supporters. For rehab of the existing shelter building, an Energy Outreach Colorado Grant for energy efficiency updates and a state housing grant are being explored.

During the question and answer period, topics addressed included:

- How HomewardBound's vision aligns with GJHA's
- The movement is away from the transitional housing to permanent supportive housing
- Gather statistics on how supportive housing has helped families move forward to success

- Hold community workshops to inform the public on why this is happening and how citizens can help
- Acquire data on community dollars saved by providing permanent supportive housing
- Qualifications of families for permanent supportive housing
- Housing the chronically homeless using a different philosophy called “harm reduction model”
- Vulnerability Index of the homeless – an assessment of how vulnerable an individual is to dying due to homelessness
- Not in my back yard (NIMBY)

Mr. Doug Karl departed at 12:18 p.m.

5. Report on GJHA Audit via a Noon Teleconference with Auditors

Ms. Monica Hauser of Hawkins Ash gave the audit presentation via a telephone conference call. She explained that two types of audits are completed while on site, a Financial Statement Audit and a Compliance Audit on Federal Awards (also called a Single Audit).

The Compliance Audit was done on two areas: 1) Section Eight new construction, which is the Housing Assistance Payment (HAP) funds for Walnut Park and Ratekin Tower, and 2) prior period adjustments for Ratekin Tower Apartments and Crystal Brook Townhomes to write off loan fees and tax credit fees for GASB 65 implementation. There were no findings on the Compliance Audit.

The Financial Statement Audit was a clean audit with no findings. A few minor audit journal entries were made.

Documented in the Management Comment section of the Audit is the auditors’ recommendation to develop a policy addressing old outstanding checks and the outcome of the voided checks and subsequent funds. Karla Distel is hopeful that a policy will be presented to the Board early in 2014 for approval.

Monica Hauser mentioned a few new governmental accounting standards that will be implemented in 2014 such as: 1) changes in the Opinion Letter format, 2) tax credit properties will be broken out as a separate component on the financial statements and incorporated into the GJHA audit and, 3) a few terminology changes. Further explanation was given for Board clarification.

The Agenda Item covering discussion of the Annual Meeting was move forward to accommodate Board Members' schedules.

6. Discuss Upcoming Annual Meeting, January 27, 2014

Jody recommended that a special Board Meeting be scheduled prior to the Annual Meeting on January 27, 2014 to address any business items.

She also asked for a Board brain-storming session. A goal in the Strategic Plan is to increase community outreach, and with GJHA celebrating its 40th anniversary in 2014, what an appropriate time to create better community awareness of GJHA and its programs/services.

The special Meeting will be January 10, 2014, beginning at 11:30 a.m. at Linden Pointe.

Scott Aker left the Meeting at 12:40 p.m.

7. Presentation of Financial Statements Ended September 31, 2013 for all GJHA Programs, Crystal Brook, Arbor Vista, Linden Pointe and Village Park

Karla Distel presented the fiscal year-end financial report for the GJHA and its properties and programs as of September 30, 2013. A consolidated balance sheet and operating statement, individual program/property schedules, a schedule of debt, and a schedule of cash reserves were presented. The statements are considered unaudited but do include the few adjusting journal entries provided by the auditors.

Highlights of the consolidated balance sheet and consolidated operating statement were noted. The year-to-date revenues are below budget by about 5%, primarily due to the impacts of Sequestration on the Voucher Program. All other income categories are slightly above the year-to-date budget. For operating expenses, overall expenditures are under budget by 0.6%. The GJHA Programs show a net operating income of \$124,116, net non-operating expenses of \$152,032 (including depreciation) for a net loss of \$27,916.

For the tax credit properties, year-to-date revenues are above budget, and expenditures are below budget, resulting in net operating income of \$394,569. Net non-operating expenses of \$1,056,639 (including depreciation) result in an overall net loss of \$662,070.

For easy review, individual program/property financials contain comments explaining variances. Individual program highlights include:

- Over performance of the Homeownership Program staff contributed to a positive bottom line for that Program. Revenues from the State Foreclosure Settlement Grant were received in Fiscal Year 2013 for Program ramp up and will be expended in Fiscal Year 2014.
- The Family Self Sufficiency Program had several individuals graduate from the Program with substantial funds from their escrow accounts.
- All the properties had lower than budgeted vacancy rates.

Karla Distel answered Chuck McDaniel's inquiry on how smaller programs will be consolidated in the Fiscal Year 2014 Budget to simplify the budgeting and reporting process. Jody Kole addressed Chris Launer's questions on the Debt Schedule, the CHFA blended interest rate on two loans, and soft loans.

Chris Mueller gave positive comments on the financials and appreciated the variance comments.

The Financial Statements Ended September 31, 2013 for all GJHA Programs, Crystal Brook, Arbor Vista, Linden Pointe and Village Park were accepted with a motion by Chris Launer, a second by Chris Mueller, and a unanimous voice vote.

8. Presentation of Tenant Property Survey

As part of the Strategic Plan and a Board request, a tenant property survey was recently conducted at each of the GJHA properties.

Referencing her December 9, 2013 Board memorandum and attachments (a sample of the survey and tenant comments/concerns), Lori Rosendahl reviewed the results. She stated an excellent anonymous survey return rate was experienced, and participants qualified to be in a drawing for four \$50 gift cards. The overall survey results predominately were "very satisfied" and "satisfied."

When future surveys are conducted, Chris Mueller suggested an aggregate format be developed showing changes over time.

9. Presentation and Discussion of Waiting List Update

Addressing her December 10, 2013 memorandum regarding the GJHA Waiting List and Program Update, Lori Rosendahl stated that currently, there is a total of 2,371 unduplicated households from the Master List on the Waiting List for the Voucher Program. Jody Kole stressed that even with the completion of Phase I of the Village Park Development, the housing demand is still large and will continue to increase because the need for affordable housing does not go away.

Lori Rosendahl discussed the new State Housing Voucher (SHV) Program. The SHV Program is collaboration between the Office of Behavioral Health and the Division of Housing that provides rental assistance for hard-to-serve homeless persons, or persons in jeopardy of becoming homeless, with disabilities, in connection with supportive services. Referrals and case management services will be provided by the Mind Springs Health, formerly known as Colorado West Mental Health. The Grand Junction Police Department Homeless Outreach Team (HOT) will also be involved. These Vouchers will be used for the hardest to house, most chronically homeless and vulnerable in our community. Lori Rosendahl informed the Board that normally the GJHA policy is to not serve registered sex offenders, but in this case these four Vouchers may be used to house sex offenders. Addressing Chris Launer's question regarding GJHA's liability housing sex offenders, Lori Rosendahl stated the Housing Authority's only responsibility is to be sure the client financially qualifies for the SHV and is compliant on a yearly basis.

A Mesa State intern will work with GJHA, the homeless community, and service providers to develop factual detailed statistical data that will document the cost of homelessness to the local community.

10. Sequester Update Presentation

Lori Rosendahl reviewed with the group the Sequester update and her memorandum dated November 21, 2013. As previously discussed, the FY 2014 Voucher Program Budget is based on the previous year's expenditures with a 5% decrease as HUD funding is based on the previous year expenditures. Conflicting reports on HUD renewal funding have been received so at this time, GJHA is in a "holding pattern" until February or March when the official renewal funding notice is expected. Jody Kole followed up with an explanation of the federal funding allocation process, which encompasses funding distribution from a Federal Committee responsible for a broad category of Programs who in turn trickle allocation downward under the Program umbrella and eventually reaches the smaller programs like the Voucher Program.

Lori said that all GJHA HUD-Held Reserves available have been disbursed to GJHA with the exception of \$33,315 which may be disbursed January 1, 2014 if needed. The projected shortfall will not occur until the new Voucher Program fiscal year so GJHA is not entitled to any shortfall funding at this time. GJHA will be able to front load funding starting in February, allowing time to reduce the lease up number even further if necessary.

11. Discuss Upcoming Annual Meeting January 27, 2014

Jody Kole reminded the group the Annual Meeting is January 27, 2014, beginning at 11:30 a.m. at the Two Rivers Convention Center. She stated the presentation will focus on the Agency's accomplishments in 2013 with an over-arching theme revolving around the 40th anniversary of the Housing Authority, its accomplishments, and trends.

Board Members will bring presentation ideas to the January 10, 2014 special Meeting.

Note: The Annual Meeting is rescheduled to February 24, 2014.

12. Adjourn

With business completed, the November/December joint Board Meeting concluded at 1:22 p.m.