

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
July Board Meeting

Monday, July 28, 2014
Linden Pointe Community Center
11:30 a.m.

1. Call to Order

The Grand Junction Housing Authority (GJHA) Board Chair, Chris Launer, called the regular July Board Meeting to order at 11:38 a.m. with the following Board Members present: Scott Aker, Tami Beard, Chuck McDaniel, Chris Mueller, and Barbara Traylor Smith. Board Member Paul Marx was absent. Staff Members CEO Jody Kole, COO Lori Rosendahl, CFO Karla Distel, and Executive Assistant Kristine Franz as well as a guest, Mr. Jerry Schafer, also attended the Meeting. Mr. Schafer is considering applying for the Resident Board seat on the GJHA Board that becomes vacant in October. That position is currently held by Paul Marx who is term limited.

2. Consent Calendar

Prior to the request for the adoption of the Consent Calendar, Chris Launer and Jody Kole added additional comments/information concerning the following two items.

- *Resolution No. 2014-07-02 Appointing Helen Roe as a New Member to the Doors 2 Success Board*

Chris Launer stated that he personally knows Helen Roe and endorses her as the new member of the Doors 2 Success Board.

- *Resolution No. 2014-07-03 Ratifying Execution of Second Amendment of Covenants, Conditions and Restrictions of Village Park Subdivision – Residential*

Jody Kole offered further explanation regarding Resolution No. 2014-07-03. To separate the GJHA Village Park multi-family apartments and vacant land from the single family Homeowners Association (HOA), Village Park Subdivision homeowner signatures were obtained on the Second Amendment of Covenants, Conditions and Restrictions of Village Park Subdivision – Residential. While acquiring those signatures, staff was not aware of time regulations for filing and recording these signed documents with Mesa County.

Execution of instruments affecting title to real property on behalf of the GJHA generally requires the signatures of both the Board Chair and the CEO. With limited

time remaining for all owner-signed documents to be recorded in the Mesa County real estate records and with the Board Chair Chris Launer out of town and unavailable, Rich Krohn drafted a Resolution for Jody Kole's signature. This Resolution authorized only the execution of the GJHA Second Amendment of Covenants, Conditions and Restrictions of Village Park Subdivision – Residential document by Jody Kole on behalf of the Agency. Board ratification and approval of the execution of the Second Amendment by the CEO of the GJHA is necessary. Board Members concurred.

The Consent Calendar consisted of *Adoption of Minutes of June 23, 2014, July 8, 2014, Resolution No. 2014-07-02 Appointing Helen Roe as a New Member to the Doors 2 Success Board; Resolution No. 2014-07-03 Ratifying Execution of Second Amendment of Covenants, Conditions and Restrictions of Village Park Subdivision – Residential; and Approval of GJHA Banking Services Recommendation.* With a motion by Scott Aker and a second by Tami Beard, the Consent Calendar was unanimously approved.

Chris Mueller joined the Meeting at 11:42 a.m.

3. Reschedule Strategic Planning Retreat

The GJHA Strategic Planning Retreat is rescheduled for August 21, 2014, beginning at 1:00 p.m. The Retreat will be held at the Linden Pointe Community Room. Board Members and Leadership Staff will participate.

4. Discuss Proposed Waiting List Preferences Policy and Request Board Approval

Referencing her Board memo dated July 22, 2014, Lori Rosendahl led a discussion on the proposed policy to change GJHA's Waiting List Preferences Policy for the Housing Choice Voucher (HCV) Program.

Lori Rosendahl explained that within the U.S. Department of Housing and Urban Development's (HUD) HCV Program, there is a provision allowing each Agency to establish its local preference system for prioritizing allocation of HCV resources based on local needs and priorities. Lori stated that the current GJHA Policy is based on serving first those who are least able to help themselves, such as elderly and/or disabled individuals and families with dependent children who have a working parent. The preferences also prioritize service first to local people in need before serving people from outside the local area. The proposed changes to the system gives equal consideration to people living in Mesa County and the City of Grand Junction.

In 1974, the Grand Junction City Council established GJHA, which is legally constituted as the Housing Authority of the City of Grand Junction. It has jurisdiction under state statutes which mirrors that of the establishing entity.

Jody Kole gave the group a history snapshot covering topics such as:

- The creation of housing authorities in general, and in particular, the GJHA Intergovernmental Agreement (IGA).
- Prior conversations with Fruita and Palisade leadership focusing on creating an IGA proposal, which Fruita and Palisade declined.

Currently, the GJHA Waiting List Preferences Policy focuses around the two Preference Points categories: 1) those that live or work in Grand Junction, and 2) the City's Urban Growth Area. Families in other categories most likely will remain on Waiting Lists for an extended period of time and may never be served. Figures below represent Voucher holder households that are currently being served:

Fruita	30
Palisade	27
Outlining Areas – inside Mesa County	8
Total Vouchers	1200 approximately

Extensive Board interaction ensued with Lori Rosendahl and Jody Kole clarifying questions such as:

- In general, the proposed change will affect a small number of elderly and disabled individuals living in Fruita or Palisade that will now become eligible to be served.
- Now is the time to make this change as it will have the least impact on households.
- The Board sets the preference points for the categories.
- Possibility of public and/or political ramifications.
- Mesa County Department of Human Services annually funds three case management positions on GJHA's staff to serve households who are eligible to participate in programs operated by both agencies.
- Staff will continue to pull applicants from the HCV Waiting List through year end. Through attrition, Voucher turnover rate is approximately 16% each year.
- Staff determines the number of Vouchers that can be leased based upon the Federal Budget allocation from HUD. When available, additional Veterans Affairs Supportive Housing (VASH) Vouchers and Special Needs Vouchers have been obtained, thereby increasing the total Voucher numbers served.
- Explanation of portability of Vouchers occurred.

- If the Board approves this change, a Public Hearing will be held after a public notice appears in the local newspaper notifying the public of the hearing date and that administrative and statutory changes to the Administrative Plan will be made effective September 1, 2014. The public is invited to attend the Public Hearing and/or review the Administrative Plan located at the Housing Authority's Voucher Services Center, 1011 N. 10th Street, or at the Grand Junction Public Library. Notification of changes will be sent to those households affected.

With the Board's concurrence, staff will proceed with the process. Barbara Traylor Smith will visit with Grand Junction City Council at the upcoming Workshop advising of the proposed changes. A formal presentation to City Council could be made if requested.

5. Discuss Proposed Project Based Voucher Policy and Request Board Approval

Referencing her Board memo dated July 22, 2014 and for additional clarity, Lori Rosendahl gave a brief history of Project Based Vouchers. In summary, a Project Based Voucher is a Voucher assigned to the rental property for a specific period, generally 10 or 15 years. HUD regulations permit an agency to allocate up to 20% of its Budget Authority to Project Based Vouchers. A tenant leasing an apartment at the Project Based Voucher property has use of the Voucher only as long as he or she resides at that property. The Voucher is tied to that specific property, not the tenant.

Advising Board Members of the current policy, extensive dialogue ensued covering topics such as:

- Using Project Based Vouchers to encourage new construction of affordable housing projects.
- Will rehab projects be eliminated for Project Based Vouchers if the focus is on new construction?
- A Request for Proposal (RFP) is issued upon new development interest, inviting competitive proposals.
- GJHA reserves the right to issue a focused RFP to meet the needs of special populations or special funding sources.
- Applications received for these Project Based Vouchers are reviewed by a committee consisting of GJHA staff and community members and are ranked based on a scoring system.
- GJHA staff is proposing to revise the scoring system. Giving a higher preference for new construction that would support expanding affordable housing gives an incentive to build new affordable rentals to support a tight rental market.
- The scoring system is not required to and will not be included in the GJHA Administrative Plan.

- The awarded time frame for these Project Based Vouchers varies but is generally for a 10 to 15-year award to the specific development.

The Board agreed and gave direction to encourage the building of new affordable housing by the use of Project Based Vouchers so long as it does not eliminate the use of Project Based Vouchers for rehab opportunities.

6. Request Adoption of Resolution No. 2014-07-04 Approving Two-Bedroom Payment Standards for the Housing Choice Voucher Program Effective August 1, 2014

Under HUD guidelines, GJHA has the ability to set Payment Standards from 90 to 110% of the Fair Market Rents (FMRs). GJHA lowered Payment Standards to the same level as the current FMRs in October 2013 to expand its ability to lease as many families as possible while under Sequester-induced budget cuts. Two-bedroom Voucher holders are currently struggling to find units that fall under the current Payment Standard. GJHA staff requested Board approval to increase the current Payment Standard to 110% of the FMRs or \$841.

A motion by Chris Mueller, a second by Barbara Traylor Smith, and a unanimous vote approved *Resolution No. 2014-07-04 Approving Two-Bedroom Payment Standards for the Housing Choice Voucher Program Effective August 1, 2014*.

7. Presentation of Financial Statements Ended June 30, 2014 for all GJHA Properties, Crystal Brook, Arbor Vista, Linden Pointe, and Village Park

Prior distribution of the Financial Statements Ended June 30, 2014 consisting of individual program/property Dashboard Reports, the Consolidated Balance Sheet, the Consolidated Operating Statement, the Cash Reserve Analysis, and the Debt Schedule allowed Board Members to review the documents. Clarification of Board questions are summarized below:

- Vacancy losses, particularly for Crystal Book and Courtyard, were primarily in the first fiscal quarter and are due to the turnover of units, priorities by GJHA staff to lease Village Park units, and no new Vouchers were issued.
- Courtyard Apartments will need more interior rehab to increase the appeal and marketability.
- Chuck McDaniel requested quarterly reports on Consolidated Statements. Karla Distel will add this report to the financial presentation.
- Higher vacancy loss at Monument Business Center (MBC) is due to the transition from existing tenants moving out of the building to accommodate the Community Hospital lease.

- The Year-to-Date Variance for the Developer Fee Income shown on the Consolidated Statement is due to a timing issue in receipt of installment payments.

Jody Kole provided the Board with a Village Park update. When the transaction was underwritten, the eight Project Based Vouchers were not included because a contract could not be signed before construction under assumptions of Project Based Vouchers. Therefore, two underwriting scenarios were developed, one with a permanent mortgage of \$2.266M assuming no Vouchers and one with a permanent mortgage of \$2.6M with Project Based Vouchers in place. Jody Kole stated there is a possibility of arriving at a permanent mortgage figure of \$2.5M, with the differential meaning less of a Deferred Developer Fee and a probability that GJHA would receive that difference in the next 12 months. October is the anticipated month to proceed to permanent financing from the construction loan.

With no further questions, a motion by Barbara Traylor Smith, a second by Scott Aker, and a unanimous vote accepted the financials ending June 30, 2014.

8. Other Business

Schedule Board Property Tour

Prior to the 2014-2015 Budget adoption, a Board property tour will be scheduled in order for Board Members to become more familiar with individual properties. Dates and times are to be determined and will be scheduled prior to the Strategic Planning Retreat.

Update Strategic Plan

Prior to the Strategic Planning Retreat, Chris Mueller, Jody Kole, and Lori Rosendahl will work on another generation of the Strategic Plan for additional clarification as well as develop a summary. Discussion transpired regarding Retreat topics and included:

- A policy-setting Board with a broad-based Strategic Plan.
- A broader method to distinguish between management goals versus Board goals.
- Incentive compensation based on Board goals rather than management goals.
- A quantified measurement for accomplishing goals used for incentive compensation award. The group agreed this task is very difficult.

GJHA Website Board Portal Access

A Board Portal feature will be available on the revamped GJHA website. This is a secure area for Board Member use. Miscellaneous Board information as well as Board Meeting Packet documents will be available beginning with the August 25, 2014 Meeting. Board Members received documentation on accessing this feature.

GJHA Awarded Housing Colorado Design Charrette

Jody Kole announced that GJHA applied for and was awarded the Housing Colorado 2014 Design by Community Charrette for preliminary design work on the Epstein property. Several members of the GJHA Leadership Team will travel to Denver for three days in October for intensive planning on the vacant land on Bookcliff Avenue. Staff will benefit from free services of a team comprised from individuals at the Colorado University Denver College of Architecture and Planning, as well as engineering experts, landscape architects, sustainability specialists, and financing and construction professionals that will help to conceptualize the project.

Congratulations to Lori Rosendahl

Lori Rosendahl received congratulatory remarks from all Meeting participants on her 14th anniversary with GJHA.

9. **Adjourn**

With no further business, the regular July Board Meeting concluded at 1:25 p.m.