

MINUTES

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

Monday, September 22, 2014
Linden Pointe Community Center
11:30 a.m.

1. Call to Order

At 11:40 a.m., Grand Junction Housing Authority (GJHA) Board Chair Chris Launer called the regular September Board Meeting to order with the following Board Members present: Tami Beard, Paul Marx, and Chuck McDaniel. A quorum was present. Board Members Scott Aker, Chris Mueller and Barbara Traylor Smith were absent. Also in attendance were Staff Members Jody Kole, CEO; Lori Rosendahl, COO; Karla Distel, CFO; Amy Case, Director of Housing Services; Margaret Ellrick, Director of Supportive Services; Kristine Franz, Executive Assistant; Andrew Owens, Facilities Management Supervisor; Tim Spach, Development Director; and Kevin Sperle, Systems Administrator.

2. Recognize Outgoing Board Member Paul Marx

Today's meeting ends the term for Board Member Paul Marx. On behalf of the GJHA Board and staff, Chris Launer recognized Paul for his years of service and support to the GJHA. Paul conveyed his thanks to everyone and expressed his appreciation of the GJHA.

3. Resolution No. 2014-09-02 Authorizing the Write-off of Bad Debts

Prior to consideration of the authorization approval of Resolution No. 2014-09-02, Chuck McDaniel asked for clarification of the Write-off of Bad Debts Policy, to which Jody Kole and Lori Rosendahl responded. Lori also explained that the unusually high dollar amount for the one-client write-off included repair of unit damage and carpet replacement. Chuck McDaniel suggested a Policy revision might be in order authorizing an increased amount for CEO approval before submittal to the GJHA Board for write-off approval. Jody Kole has the action item to gather history data for Board review.

With no further discussion, the Board approved *Resolution No. 2014-09-02 Authorizing the Write-off of Bad Debts* with a motion by Tami Beard, a second by Chuck McDaniel, and a unanimous vote.

4. GJHA Outreach and Communication Plan Follow-up

The group received an updated *GJHA Community Outreach Plan* distributed by Jody who stated that good progress is being made. Activities underway include:

- Planning to show case to the community, the benefits provided by affordable housing and to the citizens served by the GJHA throughout its forty-year history.
- Gathering client stories served by affordable housing to be shared with the public.
- Reaching the community through the following means: public posters placed throughout the Grand Valley, service group presentations, open houses, and paid media announcements.
- Planning tours of GJHA properties.
- Developing a shortened version of the video shown at the Annual Meeting on January 27, 2014 for presentation to service clubs and organizations. A list of those groups is being compiled for volunteer presentations by Board Members and staff.

Jody also informed the Board that in conjunction with the GJHA 40th Anniversary celebration, GJHA is partnering with six other local housing and service-provider organizations in the national and state-wide campaign celebrating October as Housing America Month. Jody distributed a handout showing events/dates planned to recognize Housing America in Mesa County.

Lori Rosendahl noted state/county/city-wide Housing America events that include:

- Colorado Governor Hickenlooper will issue a state-wide proclamation naming October Housing America Month.
- Commissioners for Mesa County and City Council Members for the City of Grand Junction will issue proclamations designating October Housing America Month.
- Housing America October events as illustrated on today's handout discussed above.
- A short "snip it" informational video will be shown as a public service announcement.
- A celebration on October 6, 2014 in Denver honoring Congressman Ed Perlmeter as the National Association of Housing and Redevelopment Officials (NAHRO) Legislator of the Year .

Note: Jody Kole, Lori Rosendahl and Amy Case were in Denver to participate in the Housing Colorado Design Charrette workshop and attended this celebration.

5. Presentation and Discussion of FY 2014-2015 Annual Budget and Request Approval of Resolution No. 2014-09-03 Adopting Consolidated Budget for FY 2014-2015

The FY 2014-2015 Budget includes all of the programs and properties of the GJHA except for the three Tax Credit Properties. The Budget for the Tax Credit Properties will be presented at a later Board Meeting for consideration.

The FY 2014-2015 Budget included a budget for each program/property. Karla Distel took the presentation lead, and distributed the *FYE 2014-2015 Consolidate Budget, All Properties and Programs* in a larger format for an easier review. The following is an overview:

- The Budget is based upon the assumption that GJHA will continue to manage 537 rental units, including 236 units of tax credit properties, 20 other units, and administer 1,075 regular Housing Choice Vouchers and approximately 100 special purpose Vouchers.
- Grant funding is included when the likelihood of receiving an award is considered very high.
- The Budget projects 47 total employees including 45 full-time and 2 part-time. Staff costs are distributed across the Budget using a percent-of-time basis. The Budget utilizes a model that uses full-time employee equivalents for allocating certain common costs like computer network and some training.
- An amount equal to 3% of compensation is used as a proposed performance-based compensation adjustment that could be distributed to employees beginning in January 2015.
- The Budget included increased contribution toward each employee's health care of \$25 per employee per month for a total of \$450/month/employee.
- Only minimal rent increases are included due to market conditions.
- Based on 2014 consumption, utilities include a 5% rate increase in gas and electric and a 3% increase in water and sewer fees.
- Appliances and repair projects costing less than \$1,000 are included in the Operating Budget. Larger repairs are included in the Capital Budget, which was reviewed with the Board last month.

With a comprehensive review of the FY 2014-2015 Budget, notable items specific to programs and properties were highlighted. Jody Kole, Lori Rosendahl, and Executive Team members provided clarification to Board inquiries.

Lengthy discussion ensued regarding topics covering property capital improvements drawn from respective Reserve Funds and the predevelopment costs for the Epstein and Foresight Circle properties.

Chris Launer requested a Cash Flow Analysis specific for the Epstein and Foresight Circle properties when the development budget is presented.

Jody stated this is a negative cash flow budget but reflects investment in GJHA assets by drawing on accumulated cash reserves.

In summary, the Proposed Budget (net of interfund transactions) projects revenues at approximately \$10.2 MM, with Operating Expenditures of slightly less than \$9.9MM resulting in Net Operating Income of \$364,313. Net Non-operating Expenditures (including depreciation) of more than \$369,000 is anticipated, resulting in an overall Net Loss of \$5,471. Excluding depreciation, the Net Income is \$576,266, reflecting the overall positive picture of GJHA's financial health.

Congressional funding remains in fluctuation as Congress adopts Continuing Resolutions for operation. The situation will be monitored continually to offer strategies for Board consideration in response to any unexpected changes in the revenue or expenditure forecast for 2015.

With no further discussion, Paul Marx made a motion to approve *Resolution No. 2014-09-03 Adopting Consolidated Budget for FY 2014-2015*. A second by Tami Beard and a unanimous vote approved the Resolution.

6. Update on HUD Regulatory Changes

Lori Rosendahl briefed the group with an update on implemented changes required/allowed by the U.S. Department of Housing and Urban Development (HUD), and are as follows:

- Current HUD regulations for landlords participating in the Housing Choice Voucher (HCV) Program state housing units will be inspected annually. The new regulations allow bi-annual inspections or the Agency to establish its own policy based around bi-annual inspections. Staff identified landlords qualifying for bi-annual inspections. Continued annual inspections will be done for non-qualifying landlords. Implementation of the new GJHA Inspection Policy will begin shortly with notification by mail to landlords earning the opportunity for a bi-annual inspection.
- The HUD requirement to change the income limits to the higher of either the Area Median Family Income (AMFI) or the federal poverty level is implemented.

- Streamlining and verification of client information changes such as receiving food stamps, etc. is implemented.

Additional GJHA changes implemented but not HUD mandated include:

- The recent Board-approved GJHA increased Payment Standards are in effect.
- Previously, the Colorado Division of Housing's (CDOH) Utility Allowance was used in computation of gross monthly rent calculations for clients in determining their eligibility for affordable housing programs. Since the CDOH Utility Allowance can no longer be used, an external source provided a Mesa County utility allowance figure that will be used going forward.
- With prior Board approval, a change integrated into the GJHA system is the amended "local" preference to include all families living in Mesa County and the implementation of the recommended and approved Preference Point System.
- Extensive lease up efforts are currently underway and include pulling names from the HCV Waiting List, scheduling appointments, and leasing Vouchers.
- GJHA received five new Vouchers for shelter for the youth up to age 21 who are in need of housing support. These Vouchers are for a period of 18 months. This is in partnership with The Tree House Shelter and the Mesa County Department of Human Services.

In answer to a request for an update on federal government funding for the FY 2014-2015 Budget posed by Chris Launer, Jody Kole responded that the federal government is currently operating under a Continuing Resolution (CR) adopted by the U.S. Congress that expires December 11, 2014. Each program under this CR experienced a slight Budget decrease for funding of other federal issues. Additional CRs are expected to be adopted as stop-gap measures until the new Congress is able to consider full-year Budgets.

7. Other Business

Propose Alternate Board Meeting Date of December 8, 2014

With the upcoming Thanksgiving and Christmas holidays within days of the regular November and December Board Meetings, the group considered alternative meeting dates. With three Board Members absent, Kristine Franz has the action item to survey the Board for their preference.

Note: A combined November and December Board Meeting will be held December 8, 2014.

Propose Date of January 12, 2015 for Additional January Board Meeting

With three Board Members absent, Kristine Franz has the action item to poll Board Members for their availability of an additional January Board Meeting to conduct business. January 26, 2015 is the regular Meeting date and will be the Annual Meeting, where sharing accomplishments with external stakeholders is the focus instead of business.

Note: A special Board Meeting will be held on January 12, 2015.

Pathways Home

Pathways Home Colorado is a partnership with the CDOH and the Colorado Housing and Finance Authority (CHFA). Over the last several months, six Western Colorado communities collaborated together toward permanent supportive housing for chronically homeless individuals in Colorado.

Lori Rosendahl briefed the group on the activities of the local Committee. HomewardBound of the Grand Valley submitted an application for Low Income Housing Tax Credits (LIHTC) to CHFA, and received preliminary approval in the first round as the first project. Funding will be used for a new homeless shelter, services center, and supportive housing units at 564 29 Road in Grand Junction, Colorado. In partnership with HomewardBound and other stakeholders of the Grand Valley, GJHA committed 40 Vouchers for these new units to house homeless families.

8. Adjourn

With the completion of business, the regular October Board Meeting adjourned at 1:05 p.m.