

## MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
**Regular February Meeting**

Monday, February 23, 2015  
Linden Pointe Community Center  
11:30 a.m.

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### 1. Call to Order

At 11:34 a.m., Board Chair Chris Launer called the regular February Board Meeting of the Grand Junction Housing Authority (GJHA) to order. Representing a quorum included Board Members Scott Aker, Tami Beard, Chuck McDaniel, and Barbara Traylor Smith. Chris Mueller was not present. GJHA staff members attending the meeting included CEO Jody Kole, COO Lori Rosendahl, and Executive Assistant Kristine Franz.

### 2. Consent Calendar

With no additions/corrections, Barbara Traylor Smith made a motion to adopt the Consent Calendar, consisting of *Minutes of January 12, 2015 and Minutes of January 26, 2015*. Chuck McDaniel seconded the motion, and the group unanimously approved the Consent Calendar.

Addressing the inquiry by Chris Launer, Jody Kole discussed the current status of the vacant Board seat held by a GJHA resident. Previously, only one applicant, Mr. Jerry Schafer, applied for GJHA Resident Board Member consideration. Jerry Schafer currently serves on the Doors 2 Success Board, and received prior endorsement by GJHA Board Members to be appointed by the Grand Junction City Council (City Council) to the GJHA Board.

Upon the request of the Grand Junction City Clerk's Office to increase the number of applicants for City Council's consideration, further solicitation occurred by GJHA resulting in no additional interest. Jody Kole identified the importance of retaining this Board seat for a GJHA resident rather than to seek interest from individuals that are not residents. Board Members agreed. With the group's concurrence, Jody Kole will write a letter to the City Council conveying the Board's request that Jerry Schafer be appointed as the GJHA Resident Board Member.

### 3. Update on The Highlands

Jody Kole began the update on The Highlands by explaining that as part of the tax credit transactions, there is a need to create a limited liability limited partnership (LLLP). The purpose of the Agreement of Limited Partnership The Highlands LLLP is to legally create in Colorado a LLLP in the interim until a partnership is established between the GJHA and the investor. This LLLP demonstrates to potential investors that

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this entity is created legally under the Colorado laws. No liability or activity occurs in this LLLP, and this entity remains dormant until tax credits are awarded for the development and an investor is selected and substituted into the LLLP as the Limited Partner.

At that time, this document is edited to reflect the actual partnership between GJHA and the investor. The following are replies given by Jody Kole to Board questions pertinent to this transaction:

- This document mirrors other GJHA tax credit LLLP agreements, specifically the Village Park development.
- In the interim and until an investor partnership is established, the naming of the CEO as the Limited Partner with the GJHA as the General Partner is common practice.
- The final agreement document will reflect a 99.9 percent ownership for the investor partner and a 0.1 percent ownership belonging to GJHA for the 15-year duration.
- Consultation with the GJHA tax credit attorney, Mr. Paul Smith, resulted in finding no substantial changes in the law that affects this LLLP Agreement.

Jody Kole requested Board approval for the Board Chair and CEO to sign the Agreement of Limited Partnership The Highlands LLLP, and to have it recorded with the State of Colorado. A motion made by Chuck McDaniel and seconded by Scott Aker received unanimous approval authorizing the Board Chair and CEO to sign the Agreement and to file this Agreement with the Secretary of State of the State of Colorado.

Continuing with the update, Jody Kole announced that on February 13, 2015, The City of Grand Junction's (City) Planning Department received the site plan and subdivision submittal application from the GJHA.

As previously discussed, the key issue is the storm drainage. The City and GJHA are being very proactive in finding storm drainage solutions that will not only resolve but possibly improve the Buthorn drain concerns.

The City will permit the GJHA to discharge storm runoff from the site at or below the historical flow rate. Jody Kole explained the proposed engineered design of the storm drainage detention and pressure release gate valve system and how it will reduce the runoff during a storm event by a minimum of one-third of the historical flow rate. Any remaining detained storm runoff, held in an over-sized line installed by GJHA, will be released as the Buthorn drain is capable of handling it. Additional calculations to reduce the runoff for a one-, ten-, and one hundred-year flood and the respective

recommendations are included in a storm drainage report, which Jody will forward to Board Members.

As part of the City Planning Department's review process, the submittal information is sent to outside entities as well as applicable internal City departments for review. Comments, if any, are due by February 27, 2015. Jody Kole explained the comment/response process. Site plan approval is preferred prior to the tax credit submittal to the Colorado Housing and Finance Administration (CHFA), thereby demonstrating to investors/lenders that one more milestone in the "ready to proceed" arena is completed.

When distributing material today that represented the current state of planning for the physical development, Jody Kole noted that nothing is final regarding the exterior appearance of the buildings and changes can be made. The site plan reflected the two-phased approach. The group pre-viewed the architect's proposed exterior building concept, several different development exterior designs, interior ideas, and discussed material costs. Dialogue continued regarding the following topics addressed during prior planning:

- A debate over the number of one- and two-bedroom units is settled with 12 two-bedroom units as the final number in Phase I of the development. Jody Kole gave examples of why seniors might need two-bedroom units.
- Exterior accommodations for service and therapy/companion pets, specifically dogs (dog runs, balcony pet pads).
- The miscalculation of the number of parking spaces required by the City for the fully developed site is resolved with 154 parking spaces on site for 128 units, adequately accommodating senior tenants and guests. On-street parking spaces can be utilized, if necessary, for overflow needs.
- With the need for site plan approval first, there is no recent progress on the relocation of irrigation lines. Neighborhood permission will be sought once the design and calculations are completed as proposed on the approved site plan. This work will not be done until after the irrigation season is over.

Jody said that she will soon meet with City personnel regarding the need for local grant funding participation. Barbara Traylor Smith gave suggestions on when and whom to speak with at the City.

At this point in the Meeting, Chris Launder requested the Agenda be slightly amended to allow discussion of the re-organization of the Finance Department.

#### **4. Finance Department Update**

Lori Rosendahl referenced her memo dated February 18, 2015 regarding re-organizing the Finance Department. She discussed several topics and addressed Board inquiries:

- With the Finance Department short-staffed, GJHA personnel are temporarily assigned to ensure that the basic accounting responsibilities are being met.
- As previously discussed, GJHA will be utilizing the assistance of Duane Hopkins, CFO of the Fort Collins Housing Authority. The support contract is between GJHA and the Fort Collins Housing Authority.
- Internal controls and the review process are being maintained.
  - Auditors review yearly the internal controls, which are a large part of the audit.
  - The GJHA Internal Controls Policy is updated yearly.
- Duane Hopkins suggested moving all Finance Department oversight under the COO.
  - Recommendations from Duane Hopkins included hiring a Controller and Staff Accountant. Interviews are scheduled for February 27, 2015 and Duane will participate.
    - *Note: This process is complete with a Controller and Staff Accountant hired.*
  - Discussion transpired regarding hiring a Chief Financial Officer versus a Controller.
  - Duane will maintain direct contact with the Controller and report any issues to Jody Kole. Duane will review the quarterly financials and attend Board Meetings for financial presentations.
  - With the finance department and additional staff conducting the internal controls process all reporting to the direct/indirect supervision of the COO, additional input from auditors will be requested regarding this proposed reorganization and internal controls process oversight.
- Staff continues to pursue enhanced financial reporting.
  - Barbara Traylor Smith suggested researching a particular financial software program.

Board Members expressed concern over short- and long-term staffing solutions and the increased work load for Jody Kole and Lori Rosendahl. Chuck McDaniel expressed concern regarding maintaining adequate internal controls within the Finance Department.

Scott Aker left the meeting at 12:50 p.m. A quorum remained.

**5. 8 Foresight Circle Update**

Progress is being made on the design of the Foresight building. The floor plan previously shared with Board Members is nearly complete, and the architect is compiling cost estimates/bids received for interior building furnishings. Three vendors responded to the bid solicitation.

Staff is working on several grant applications including energy grants for use to design and implement energy efficient items for both Highlands Apartments and 8 Foresight Circle.

Building demolition is tentatively scheduled to start sometime in late March with construction beginning in April or May. Staff currently occupying 8 Foresight Circle will relocate to the Shaw building.

Jody informed Board Members to expect to review the 8 Foresight Circle proposed budget and proposed funding solution at the next Board Meeting.

**6. Other Business**

*Schedule Alternate Board Meeting Dates*

With a couple of Board Members unavailable for the regular March 23, 2015 Board Meeting, this Meeting is tentatively rescheduled for April 6, 2015. A follow-up notice will be sent upon confirmation of absent Board Members.

*Note: April 6, 2015 is the confirmed date for the rescheduled March 23, 2015 Board Meeting.*

The regular April Board Meeting is scheduled for April 27, 2015. It is expected to be a long meeting due to consideration of the Low Income Housing Tax Credit (LIHTC) Application for The Highlands.

Due to the Memorial Day Holiday, the May Board Meeting is tentatively rescheduled for May 18, 2015.

*Voucher Update: New Administrative Fee Calculation*

Lori Rosendhal distributed a chart illustrating the new Administrative (Admin) Fee calculations for the Housing Choice Voucher Program for FY 2014-2015 based on the U. S. Department of Housing and Urban Development's (HUD) recently released budget.

With an approved fiscal year GJHA budget necessary prior to the release of HUD's Admin and Housing Assistance Payment (HAP) numbers, the GJHA pro-rated figures used are always estimates. The GJHA's FY 2014-2015 Budget included a figure of 80 percent for the pro-rated Administrative Fee. HUD projected a 73 percent pro-rated rate, causing a projected negative variance of \$36,328. The cost will be absorbed by existing staffing vacancies and changes in staff responsibilities. Lori also mentioned that the projected HAP allocation is not known at this time.

Tami Beard left the meeting at 1:14 p.m. A quorum no longer existed.

## **7. Adjourn**

The regular February GJHA Board Meeting adjourned at 1:16 p.m.