

MINUTES

**Grand Junction Housing Authority
Board of Commissioners Meeting**

**April 28, 2003
Conference Room
1011 North Tenth: 11:30 a.m.**

1. Call to Order

The April Board of Commissioners' Meeting of the Grand Junction Housing Authority was called to order by Board Chair, Gabe DeGabriele, at 11:50 a.m. Those in attendance included Kathleen Belgard, Harry Butler, Erin Ginter, Steve Heinemann, Cory Hunt, Gi Moon, Jody Kole, Kristine Franz, Greg Hancock, Becki Tonozzi, and Jon Wickre. John Collier, with Collier Consulting Services was also in attendance.

2. Consent Calendar

Erin mentioned that the minutes didn't reference prior conversation pertaining to Board Members attending the annual Public Housing Agency Directors Association (PHADA) Conference in Las Vegas in June and wondered when/where these discussions took place. It was decided dialogue took place via e-mail, telephone calls and informal conversations rather than during the formal meeting setting.

Cory made a motion to approve the Consent Calendar as presented, Kathleen seconded the motion, and it was unanimously approved.

3. Presentation of Financial Statements for the Period Ending February 28, 2003

Prior to her presentation, Becki Tonozzi, Finance Director, confirmed that the Finance Department is "closing in" on providing current financials to the Board. Jody stated that Becki has dedicated considerable additional time and hard work to bring the Agency's financial picture current. The Board was very appreciative of the hard work and eager to have current financial statements.

Becki noted that the financial documents provided for this meeting didn't include information on the Housing Advocate Program, the Grand Valley Housing Initiatives or the Downtown Housing Efforts (DHE) due to a lack of significant activity in those areas.

She referenced the General Fund Operating Statements and Balance Sheets and targeted certain line items with explanations. The Agency is staying within budget and there aren't any significant variances. She also informed the group that in compliance with the auditor's request, the DHE funds have been listed independently. Becki explained the Walnut Park Program variance was due to items expensed instead of capitalized as asset purchases and that will be changed. Cost figures for the Linden property development are being accumulated so there will be separate Operating Statements and Balance Sheets for this project also. Considerable time was spent explaining the Vouchers

Minutes (contd.)

Page 2

Program status. The Board was notified that because the Program is still over leased and our original budget request didn't include all the money we were entitled to, we have contacted the U.S. Department of Housing and Urban Development (HUD) and submitted a budget revision.

A Summary Sheet of Allocated Cash Activity, which shows the monthly cash flow of what is "coming into and going out of" the Operating Account, was distributed as a reference document.

Gi asked for clarification on the grant money line item listed on the front page of the General Fund Income Statement to which Jody responded the figure represents the Community Development Block Grant money from the City of Grand Junction, which was delayed but has now all been received.

Jody informed the Board that a representative from Hawkins, Ash, and Baptie, Inc. (HAB), the software company, is here for a week to do some training with Becki, and to also assist with resolving some long-standing problems with both the financial and client side of the software.

4. Consideration of Proposed Homeownership Program

The proposed development of this Program has been discussed over the last several months, as a group as well as individually, with John Collier, of Collier Consulting Services. Recently, Gi requested that John work up a Pro-Forma (distributed today) based on buying only 8 homes, half of the 15 homes used for the first Pro-Forma, to see the financial picture and identify how long it would take to become profitable if only 8 homes were purchased the first year instead of 15. John reiterated that the 15-homes Pro-Forma showed a \$16,000 profit for the first year. However, the 8-homes Pro-Forma indicated a (\$19,500) deficit for the first year and continued to worsen each year thereafter. The first Pro-Forma reveals that given the initial influx of significant grant dollars, the Program can "stand on its own" after the first year without using grant dollars; however, John felt that operating grants could be acquired. The Board was assured that even if they adopt the Program, it wouldn't be implemented until funds are available. An around-the-table discussion developed addressing topics such as:

- The importance of choosing property purchases with minor rehabilitation.
- Finding entities, such as Partners, etc., that could assist with property rehabilitation and keep labor costs at a minimum.
- Qualifying homeowners.
- Dealing with clients who have been removed from the Family Self-Sufficiency Program prior to qualifying for this Program.
- Acquiring the first right of refusal on a repossession.
- Increasing the Agency's maintenance staff for increased workload.

Minutes (contd.)

Page 3

- Hiring temporary personnel to shoulder short-term staffing needs.
- Considering public perception when subcontracting out needed services.

Jody suggested that we might find other Colorado housing authorities that are involved with this same type of Homeownership Program who would be willing to share their policies and experience; thus, eliminating reinventing the wheel.

A status update on the 5th Street Property followed. The property was purchased with funds from the Agency's General Fund for \$66,500, with an extra allowance of \$10,000 for rehabilitation costs. A loan application has been sent to Colorado Housing and Finance Authority (CHFA). If the Homeownership Program is awarded the loan, the General Fund will be reimbursed. John also gave a brief report on the remodeling progress of the house, during which the 30-day rehabilitation schedule was again discussed as possibly being too aggressive for these property renovations.

The Board was requested to consider two action items: 1) the adoption of the Homeownership Program Plan, and 2) the selection of a lender. Gi made a motion to adopt the new Homeownership Program Plan as presented with additional work on standards and policies, particularly concerning use and disclosure of credit report information, forthcoming for Board approval. Steven seconded the motion and it unanimously passed.

Prior to discussion on selecting a Homeownership Program lender, Gi and Kathleen excused themselves from conversation, due to employer conflict of interest, and left the Board Room at 12:40 p.m. John summarized responses from three banks and indicated this agreement will be a five year commitment. Steve made a motion to select the Bank of Colorado as the Program lender with a second from Erin. The motion passed unanimously, at which time Gi and Kathleen returned to the meeting.

5. Linden Property Development Update

Greg Hancock, Development Director, gave a progress report on the Linden property development. At the last Board Meeting, a collective desire was expressed to see washers and dryers in each of the units instead of common laundry areas within the buildings. In accommodating that request, it's expected the total square footage of the buildings will be reduced, and a cost reduction in development/construction costs of approximately \$500,000 could be realized.

The grant application requests and their status were summarized as follows: 1) an application for \$900,000 has been finalized and submitted to the Colorado Division of Housing, 2) the Grand Junction Community Development Block Grant application for

\$275,000 has been submitted to the City, and 3) the Tax Credit Application will be completed and submitted shortly. Mr. Bill Simpson, with National Development Council, has been selected as the tax credit consultant to help complete the tax credit application. Considerable discussion continued regarding other avenues we could explore to reduce development costs and/or expedite the approval process. Meetings continue with the City's Community Development Department to investigate the possibility of the City deferring fees such as water/sewer taps, reimbursing sales tax paid on building materials, etc. and any other viable ideas.

The site specific market analysis being conducted over the last several months is now complete. Greg distributed the *Section VIII. Recommendations and Conclusions* section of the Linden Site Final Report dated April 24, 2003, and pointed out that the analyst concurs with the proposed rent levels set and feels the project is viable in terms of the local market. Greg also stressed the analyst recommended offering some concessions for units in the 60% AMI bracket to accelerate the lease up period but feels the units in the 40% level are fine as is. The analyst conveyed confidence in his recommendations and conclusions, even though the recent findings of the State of Colorado's statewide housing analysis reflected a much higher vacancy rate than the Linden Market Analysis.

Anticipated costs for the next stage of the development process were reviewed and the Board was asked to authorize spending the funds necessary to keep the development moving forward. Gi asked for a spread sheet that would breakdown the accumulating costs of the Linden development. The Finance Department will provide the detailed cost accounting report. A motion authorizing spending funds up to \$60,000 to continue the development progress moving forward was made by Erin, seconded by Gabe, and it passed unanimously.

Greg discussed some site plan changes and noted that as part of the City planning process, there will be another neighborhood meeting held to keep the public informed of progress.

Jody reviewed activities required prior to CHFA determining the final tax credit amount.

6. Update on Outreach Efforts

The *Grants/Funding at a Glance Matrix* was reviewed by Jon Wickre, Outreach Coordinator, highlighting updates and answering questions. He announced that United Way allocated \$1,500 to the Family Self-Sufficiency Program and \$6,700 to the Housing Advocate position, and that he would be issuing a press release to the local media. The poster campaign is moving forward with distribution well underway. The annual Landlord Appreciation Reception is scheduled for August, during which time the GJHA's Housing Advocate will explain the Housing Advocate Program in detail.

7. Selection of Alternate May Board Meeting Date

Due to the Memorial Day holiday sharing the day with the regular May Board Meeting, it was decided to cancel May's meeting and call a special meeting, only if necessary.

8. Other Business

Ratekin Tower Commercial Space

The lease expired with the Ratekin Tower tenant, Western Colorado Health Network, the end of April with a one-month extension. The new tenant, West CAP, has signed a four-year lease and will move in around the end of May or first of June.

Restructuring Agreement on the Refinancing of Ratekin Tower

Jody informed the Board that work continues on the Restructuring Commitment on the refinancing of Ratekin Tower. As soon as more information is available, staff will bring it to the Board. Heskin-Signet now anticipates a closing in mid-to-late July.

Property Vacancies

Crystal Book Townhomes and Lincoln Apartments currently have two vacancies each.

Downtown Housing Effort

Jody reminded the group of its earlier decision to establish an Executive Committee, comprised of an equal number of members of the GJHA Board and the Downtown Development Authority (DDA) Board. Establishing this Committee was necessary in order for the DHE to pursue action on an initial feasibility analysis pertaining to a joint venture of new construction of downtown housing. Jody notified the Executive Director of the DDA, Harold Stalf, that we are ready to move forward with the process and he committed to talk with his group regarding the formation of the Executive Committee.

Vacant Board Position for the Grand Valley Housing Initiatives

Recruitment continues for the vacant Board position. It was suggested that applicants might be solicited during the Community Homeless Shelter Benefit Party.

Future Conferences

Two Board Members expressed an interest in attending the annual PHADA Conference in Las Vegas, Nevada, in June. Other Board Members were interested in attending the National Association of Housing and Redevelopment Officials's (NAHRO)

Minutes (contd.)

Page 6

2003 Summer Conference in Tampa, Florida, in July. Gabe gave a brief update on his research regarding accommodation options if the annual Board Retreat is combined with the NAHRO's 2003 National Conference in Dallas, Texas. As more specific conference information becomes available, plans will be confirmed.

9. Executive Session – Discuss Real Estate Issues – C.R.S. 24-6-402(a) and Personnel Issues – C.R.S. 24-6-402(4)(f)

Gi made a motion at 1:47 p.m. to move into Executive Session. The motion was seconded by Cory and the roll call vote was unanimous.

10. Adjourn

The Executive Session and meeting was adjourned with a motion made by Gi, seconded by Erin, and passed unanimously.