

## MINUTES

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

**December 5, 2003  
Conference Room  
1011 North Tenth: 11:30 a.m.**

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### **1. Call to Order**

Board Chair, Steve Heinemann, called the rescheduled December Board Meeting for the Grand Junction Housing Authority (GJHA) to order at 11:33 a.m. Board Members in attendance included Kathleen Belgard, Harry Butler, Gabe DeGabriele, Erin Ginter, and Gi Moon. GJHA staff members Jody Kole, Kris Franz, Virginia Garcia, Mary Gregory, Greg Hancock, Lori Rosendahl and Jon Wickre were also present. John Collier, of Collier Consulting Services attended as well.

### **2. Consent Calendar**

Gi made a motion to adopt the Consent Calendar. Erin's question pertaining to Item #E (Resolution 2003-23 Adopting Signature Requirements for Checks Issued by Grand Junction Housing Authority) prompted the decision to remove this Item from the Calendar to allow further discussion. Gi amended her motion to approve Items #A through #D on the Consent Calendar, Gabe seconded the motion, and it was unanimously approved.

Erin's question of "is this the way it was suggested by the CPA to be done?" was again introduced and discussion followed. She wanted to make sure that the CPA would approve of this process. Jody explained that in the past the Executive Director and the Board Chair's signatures were on a signature plate and the Executive Director, Board Chair, or Vice Chair could affix those signatures to checks. Such being the case, the Board Chair's signature was on checks that he/she did not see. The accounting firm recommended that it either only be the Executive Director's signature on the checks, or if the Board Chair was also going to be a signer, that the Chairperson actually physically see and sign the checks. In a previous Board decision, \$10,000 was determined as the cut off figure and authorization was given to the Executive Director to sign routine checks up to \$10,000 and mortgage payments and landlord checks in excess of \$10,000. Other non-routine checks in excess of \$10,000 would need a co-authorization, as evidenced by a signature on the Check Request by the Chair or Vice Chair. Three separate check plates will be made and the individual signing the checks will be responsible for using the appropriate one.

With discussion completed, Gabe moved to adopt Item #E on the Consent Calendar. Erin seconded the motion with the vote being unanimous.

Virginia joined the meeting at 11:36 a.m.

**3. Update on the Linden Development**

A. Closure of B ¾ Road

Greg sketched out a rough drawing on the white board to further illustrate the various scenarios of the road closures and briefly explained those situations. He continued to say that, as of this morning, the Colorado Department of Transportation will modify the two permits previously issued (to close B ¾ Road and to make Linden Avenue the official access point to Highway 6 & 50) so that B ¾ Road will remain open and the intersection will continue to exist as is. There was some discussion pertaining to sound barrier options since the original plan will be altered with the road closure modifications.

Greg unveiled a 3-dimensional draft rendition of the Development and guided the group through the facility identifying various issues as the tour progressed.

B. Update on City's Review Process

Greg informed the group that on December 9<sup>th</sup>, comments on the site plan will be back from the City Planning Department and comments on the final submittal are expected back by the end of the calendar year. It is also anticipated that the guaranteed maximum construction price will be received from the contractor by mid January.

It was requested that the Board authorize an increase in spending predevelopment money so the design process can continue uninterrupted and will allow the architect to start with a permit set of drawings. This increase is not additional monies, but rather just authorizing funds to be distributed earlier than indicated in the original timeline. Kathleen moved that the GJHA be authorized to give Shaw Construction the go ahead for O'Dell Architects to start on the construction drawings acknowledging the cost will be roughly \$80,000. Gi seconded the motion and the vote was unanimous.

C. Requests for Proposals for Construction Loans and Equity Investment

Greg reminded everyone that the response deadline for proposals from construction lenders and tax credit investors for the Linden Development was December 2, 2003. Thirteen proposals from tax credit investors and four proposals from construction lenders were received. (It is important to note that Mr. Bill Simpson, a fiscal analyst from the National Development Council, hired to assist in this evaluation process, said five responses to a tax credit investor proposal is the normal response.) Committee members (Kathleen Belgard; Gabe DeGabriele; Gi Moon; Jody Kole; Greg Hancock; and Ron Lappi, Grand Junction City Finance Director,) met this morning to look at a summary of analysis to

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narrow the proposals down to a smaller number. Greg shared selection criteria to be considered in this screening process. Because the investors' pay-in schedule changes so many things, key items such as total construction cost, amount of interest paid, etc. are affected. Therefore, the Committee felt it would be beneficial to the construction lender to know who was chosen as the equity partner. The Board was asked to consider the following two Committee recommendations:

- Delay the selection of the construction lender until the tax credit investor is chosen, and
- Propose a second round of competition for the four construction lender participants - Bank of Colorado, Mesa National Bank, U.S. Bank, and Wells Fargo – and ask for approval from each bank to share with each other its proposal in order to initiate a best and final offer.

Extensive discussion ensued pertaining to a bank sharing its proposal information with other banks and the pros and cons, how to handle the situation if one or more banks choose not to participate, and public perception of this process. Concern was also expressed for protecting the two banker Board Members serving on the Committees, as their banks responded with an initial proposal. It was proposed and agreed upon that Gi and Kathleen would step off the Construction Lender Committee effectively immediately, due to a possible conflict of interest, but remain on the Equity Investment Committee.

Greg handed out a memorandum dated December 5, 2003, from Bill Simpson where he listed the rough ranking of the thirteen candidates for the Equity Investor. The Committee reviewed the proposals and recommended to the Board that the top five finalists -- ER Hudson, MMA Financial, Related, ESIC, and John Hancock -- be asked to participate in a final round, as the Request for Proposal (RFP) stated would be the procedure. (Note: The National Development Council (NDC) was included in one of the rankings of the top five finalists, but not in others. NDC was excluded from the final round of competition.) Bill Simpson will compile a more complex matrix of the five finalists' proposals for analysis and make his recommendation prior to the Committee Meeting on December 17<sup>th</sup> at 7:00 a.m. It was decided that following this Committee Meeting, a special Board Meeting will be held at 8:30 a.m. to inform the Board of the finalists' offers and to hear the Committee's recommendation. It is hoped that a Board decision on the Equity Investor Partner can be made at that time so the selection can be released to the four banks for a quick turn around of their best and final offers.

#### **4. Focus of the Grand Valley Housing Initiatives**

Discussion during the October Board Meeting pertaining to Jon Wickre's outreach activities and the fact that questions being asked by prospective grant Foundations could be answered easier if the relationship between the GJHA and the Grand Valley Housing Initiatives (GVHI) was better defined, prompted the Board's request to clarify the GJHA/GVHI organizational structure relationship. Jody was asked to lead the effort with the assistance of a Subcommittee (Kathleen Belgard; Gi Moon; Gene Kinsey, President of the GVHI Board of Directors; and Jon Wickre).

Jody began today's discussion by stating that a Mission Statement along with a broad range of goals and objectives had previously been developed, so the Subcommittee elected to focus on narrowing those goals in a more defined direction. Homeownership activities and paying off the Grand Junction Community Homeless Shelter debt was deemed the most critical areas. With those two objectives identified, a proposed Work Plan was developed that identified areas the GVHI should be working towards in the next year. This document was distributed and discussed extensively with the following topics addressed:

- A need exists to soften the perception that the GJHA is too closely aligned with the GVHI and eliminate hesitancy from other entities to partner with the GVHI. How?
  - Perhaps another member of the GJHA Board should sit on the GVHI Board instead of the Executive Director – remove the direct association
  - Hire staff to operate the Program – how will funding be acquired?
  - Emphasize that affordable housing is a valley-wide goal; not just a City goal
- Acknowledge creating the GVHI as a strength instead of a weakness!
  - Defend and support the initial reasons of establishing GVHI and its goals
  - Emphasize that GJHA is a partner with GVHI, not that the GVHI is the GJHA
  - Acknowledge that GVHI was formed to be a vehicle to avoid some constraints GJHA has with regard to geographic limitations
- Proposals to sell Capital Terrace to GVHI
  - Units will never be eliminated so becomes a pride of ownership of a political entity
- Affordable housing location issues
  - Should Mesa County Commissioners and Grand Junction City Council be consulted to see if the community wants a regional housing authority instead of a City housing authority?

Jody referenced the proposal from GVHI and highlighted the following suggestions:

- Partner with the Downtown Development Authority (DDA) and reinvest Downtown Housing Effort (DHE) funds for new construction and major acquisition rehab within the DHE District
- GJHA might match dollars (from the General Fund) with dollars from the City of Grand Junction and use as collateral for a revolving loan from Fannie Mae. Funds would be available then for acquisition and rehab of homes in the downtown. The sale of each of the homes would begin to generate a small net profit, and would start covering GVHI's staffing/operating costs.

Jody advised the group that the next DHE meeting will be on December 10<sup>th</sup> at 1:00 p.m. at the DDA office.

Erin asked Jody to pursue these concepts with the DHE/GVHI Boards. At Gi's request, the Board will study the key points listed in Jody's memorandum and be ready to discuss them further at a future Board meeting.

Further discussion pertaining to the disposition of Capital Terrace prompted Jody to remind the Board that the changes will have to be incorporated into the Agency Plan prior to HUD reviewing the request, and before changes can be made to the Agency Plan, a statement is needed from the Grand Junction City Council indicating that this change is in accordance with the Consolidated Plan. The Board discussed various perspectives of how the proposed transfer would be perceived by the City Council. Harry indicated his strong opposition to such a transfer. In the interest of preserving good relationships with GJHA's key partner, it was suggested this discussion be tabled. Harry made a motion to table this discussion, Kathleen seconded the motion and it carried with approval from everyone except Gabe, who abstained from voting.

## **5. Discuss Maintenance Department's Internal Review Report**

Virginia thanked John Collier for his effort on this review and stated that the Maintenance Department viewed this evaluation as an opportunity to improve the Department. She referenced her memorandum dated December 1, 2003, for further clarification to findings and announced that certain changes have already been implemented. In response to a Board question, Jody assured Board Members that an inventory list, compiled by the Finance Department, is available anytime for review.

6. **Other Business**

Report on *Financing Affordable Housing Construction Seminar*

Jody gave a brief synopsis of the Seminar and stated that approximately twenty-two lenders, developers, and realtors attended. Positive feedback was received from the attendees.

Outreach Efforts

Jon Wickre, Outreach Coordinator, talked about the “Certif-A-Brick” Program implemented to encourage donors to help pay for the renovation costs of the Grand Junction Community Homeless Shelter by purchasing a certificate that resembles a brick. As he distributed a news clipping about the “Certif-A-Brick” Program, he informed the group that articles about the Shelter have appeared in the *Free Press* and *The Daily Sentinel*, and a “Certif-A-Brick” flyer was distributed throughout the business community via the Grand Junction Chamber of Commerce monthly newsletter.

Jon said that a new community awareness poster entitled “Places of Affordable Housing” is in the conceptual stage and will be ready for Board review shortly.

Section 8 Update

Lori Rosendahl, Section 8 Supervisor, announced that the Section 8 Management Assessment Program (SEMAP) Certification Form for Fiscal Year End 2003 has been completed and submitted to the U.S. Department of Housing and Urban Development (HUD). HUD will respond with the final SEMAP Score after the assessment of the electronically transmitted information and any audit findings.

She also passed out the December publication of the *GJHA Section 8 News*, which was inadvertently omitted from the Board packet, and mentioned that a new Landlord Advisory Board is being created and its first meeting will be held shortly.

H.O.M.E. Program Update

John Collier announced that GJHA has submitted a successful bid to purchase another HUD home. The house is located in the Orchard Mesa area and is in excellent shape with the exception of needing new carpet and a paint job. There are two families in the Program that qualify and want the house so a decision will be made shortly.

2004 Annual Meeting

Because the Annual Meeting is a time for the Agency to shine with its accomplishments and achievements of the year and because it was such an outstanding event this year, Erin felt that the Grand Junction City Council Members and the Mesa County Commissioners should be invited to attend next year's meeting. The 2004 Annual Meeting will be held November 16<sup>th</sup> and these two groups will be invited to attend.

**7. Executive Session to Discuss Executive Director's Annual Evaluation  
C.R.S. 24-6-402(4)(f)**

At 1:40 p.m., Gi made a motion to enter into Executive Session. With a second from Gabe and a unanimous vote, the regular Board Meeting concluded.

**8. Adjourn**

The Executive Session concluded at 3:00 p.m.

