

MINUTES

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

**May 24, 2004
Conference Room
1011 North Tenth: 11:30 a.m.**

1. Call to Order

Board Chair, Steve Heinemann, called the regular Grand Junction Housing Authority (GJHA) May Board Meeting to order at 11:38 a.m. with the following individuals in attendance: Board Members Harry Butler, Erin Ginter, Cory Hunt, Gi Moon; and GJHA staff members Jody Kole, Kristine Franz, Greg Hancock, Lori Rosendahl, Becki Tonozzi, and Jon Wickre. Mary Gregory and Gabe DeGabriele joined the meeting later.

2. Consent Calendar

Adoption of Board Minutes of April 26, 2004

With the April Board Minutes approved as presented, Erin made a motion to adopt the Minutes. Cory seconded the motion and it passed unanimously.

Resolution No. 2004-05

Becki Tonozzi, Finance Director, clarified that Resolution No. 2004-05 was to approve the Operating Subsidy Budget for Capital Terrace for Fiscal Year Ending September 30, 2005. Unit rents were higher this year which indicates increases in families' incomes that allows them to pay a greater portion of the rents; consequently, a lesser subsidy is available. It is estimated the Operating Subsidy will be \$5,000 to \$10,000 less than the amount funded in Fiscal Year 2004.

Mary Gregory joined the meeting at 11:40 a.m.

As a side note, Jody informed the group that the Colorado National Association of Housing & Redevelopment Officials (NAHRO) just announced that the U.S. Department of Housing and Urban Development (HUD) will cut this year's Public Housing Authorities' (PHA) budgets to 93% of the authorized amount.

3. Presentation of Quarterly Financial Statement for the Six Months Ended March 31, 2004

Becki distributed the GJHA Combined Operating Statement and Balance Sheet along with the Summary of Cash Activity through March 31, 2004, for easy reference prior to the financial presentation.

Gabe DeGabriele arrived at 11:53 a.m.

Each line item on the Combined Operating Statement was thoroughly explained and each variance addressed. The Combined Balance Sheet was reviewed with Board questions clarified. The Summary of Cash Activity was also examined with Becki stating that future documentation will identify separate cash line items for Linden Pointe, Grand Valley Housing Initiatives (GVHI), Crystal Brook Townhomes, and Downtown Housing Effort (DHE).

Individual financials were also presented and discussed for Linden Pointe, GVHI, and Crystal Brook Townhomes for the 7 months ended April 30, 2004.

For the six months ended March 31, 2004, Actual Net Operating Income shows an almost zero variance to the Budget. However, when the Non-operating Income and Expenses are included, there is a negative variance in Net Income of almost \$55,000. Some \$35,000 of this can be attributed to non-receipt of monies from GVHI which was to be directed to the Shelter, then to the General Fund to pay a Developer Fee and reimburse prior fiscal year expenses. It is not likely that GVHI will have those funds available this fiscal year. Becki further explained that the General Fund will be expected to cover the non-eligible costs associated with Linden—not in the budget, and perhaps some of the funding shortfall that will occur with cuts by HUD to the Section 8 Vouchers Program.

Jody advised the Board that additional marketing efforts are being undertaken for the advertisement of Linden Pointe, Crystal Brook Townhomes, and Lincoln Apartments.

The Board expressed its appreciation to Becki for creating such excellent financial reports and for her on-going efforts to simplify the financial documentation into a more “user friendly” format.

4. Linden Pointe Update

On behalf of Shaw Construction, Greg distributed to all Board Members miniature personalized gold shovels as mementos of the Linden Point groundbreaking ceremony. Board Members were very appreciative of the thoughtful keepsake.

Greg circulated pictures representing the groundbreaking ceremony and construction site demolition activities for everyone’s review. Upon distribution of his May 24th memorandum (memo) written to the Board, Greg updated the group with the following project status report:

- Good demolition progress has been made with the house, garage, and appropriate trees now gone; the site is being leveled and utilities are being staked.

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- The first construction draw meeting is scheduled for May 25th. Clarification from the Board of the draw process was requested by GJHA staff. Discussion prompted a Board decision to authorize the previously designated Board signatories (Steve and Jody, with Gabe as a backup signer) to review and approve the construction draw documentation on behalf of the Board. An entire Board review will be necessary only if a cost overrun of 5% or greater is presented with the draw. Gabe put this direction into the form of a motion, Gi seconded the motion, and it was unanimously approved.
- Consistent with the draw projections provided by Shaw Construction, it is anticipated that the first and second draw requests combined will exceed the mandated 10% expenditure requirement of the total development cost that must be met by July 31st as stipulated by the Colorado Housing and Finance Authority (CHFA).
- The Accounting Request for Proposal (RFP) was released May 6th with responses due by May 28th. Four firms, previously approved by MMA Financial (MMA), received the RFP. The scope of work was identified noting that the selected recipient must be approved by MMA. Several methods granting Board approval (hold a special Board Meeting, e-mail correspondence, etc.) were discussed. Because of busy schedules and the upcoming Memorial Day holiday, the preference was to e-mail the information to Board Members for consideration and voting. Any Board action could then be ratified at the next regular Board Meeting. Greg will send the RFP along with a summary of the RFP responses and the GJHA recommendation via e-mail to Board Members Friday afternoon, May 28th. (As a side note, the Colorado firm has decided to decline participation in the competition.)
- Because the Board earlier authorized GJHA staff to determine if CHFA's loan terms and conditions could be improved upon by another financial institution, the Permanent Loan RFP was released May 4th with responses due by May 14th. No responses were received because interested parties could not meet or improve upon CHFA's terms; therefore, the CHFA commitment letter was signed and submitted.
- The cost submitted by Xcel Energy to move four power poles further north on the property was slightly under the budgeted figure of \$12,000, and the Board was asked to authorize GJHA staff to sign Xcel's contract. As requested by the Board, Greg will check with Xcel for identification of property owners/businesses who would be affected by a power outage should one occur during this phase of construction. Gi made a motion authorizing GJHA staff to execute the Xcel Energy Contract. The motion was seconded by Gabe and unanimously passed.

- Greg mentioned that there has been some recent informal dialogue with the neighbors of Linden Pointe and that they seem fine with the development. During this dialogue, the idea of holding another neighborhood meeting was suggested but it was felt that it wasn't necessary at this time. Perhaps, a meeting might be held later in the construction process.

Harry left the meeting at 12:45 p.m.

Greg distributed the Linden Pointe Lease-up Planning Table which was created to be an informational document and referenced various activities and timelines. He stressed that several competitive processes will be happening simultaneously as illustrated on this Table, and further reviewed the construction phasing process identifying, by building, the order of completion.

Erin suggested that GJHA continue with a proactive approach in looking for additional developed or undeveloped property for future housing projects. The general consensus was to pursue this course of action, and extensive discussion followed on how best to accomplish this task. The action plan decided upon included exploring the private market, talking to the appropriate representatives of the City of Grand Junction (City) and Mesa County (County) regarding available property holdings, and initiating the process to update the Grand Valley Needs Assessment, with reportables due at the July Board Meeting .

It was also mentioned that the City will host an Affordable Housing Forum August 26th at Two Rivers Convention Center.

5. Discuss Scheduling the Board's Annual Retreat Date

With everyone's busy summer calendar, scheduling the Board's Annual Retreat this year seems to be a challenge. Available dates were given to Jody for consideration and she will respond with a suggested date after checking with absent Board Members. The first two Friday/Saturdays in August seem to have the least conflicts.

6. Other Business

HUD Funding Cut for Housing Choice Vouchers

Board Members were previously informed of the imminent funding cuts from HUD, and were told today that written directives from HUD had just been received. Jody summarized the original GJHA budget figures explaining the Housing Assistant Payment (HAP) and Administrative numbers as compared to HUD's revised funding cuts. She explained this cut will be retroactive to January 1, 2004, so there is only the remaining four months of this fiscal year (June-September) to recover the total predicted funding gap of \$175,644. Because of Section 8 Staff's aggressive efforts, the per unit

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cost of housing assistance payments for each Voucher is being maintained at HUD's capped per unit cost. Staff believes that the HAP funding cutback can be absorbed. The Administrative fee cut, however, is a different story. Vouchers previously budgeted net income of \$26,494 suddenly becomes a loss of approximately \$30,000 and a shortfall of approximately \$56,000. Jody assured the Board that aggressive efforts are being made to identify opportunities to trim costs and possibly even reallocate some appropriate administrative costs to other programs, and that the Board will be kept apprised of the situation.

Erin left the meeting at 1:20 p.m.

Senator Allard's Capital Conference

Gabe announced that he would not be able to attend Senator Allard's Capital Conference in Washington, D.C. as previous anticipated. Consequently, the \$500 the Board agreed upon to fund part of his trip expenses was appreciated but won't be needed.

7. Adjourn

With business complete, the meeting adjourned with a motion from Gabe, a second from Cory, and a unanimous vote.

