

MINUTES

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

**July 26, 2004
Conference Room
1011 North Tenth: 11:30 a.m.**

1. Call to Order

Vice Chairperson, Gi Moon, presided over the Grand Junction Housing Authority (GJHA) Board Meeting in the absence of Chairperson Steve Heinemann, and called the July meeting to order at 11:37 a.m. Board Members present included Kathleen Belgard, Harry Butler, Gabe DeGabriele, Erin Ginter, and Cory Hunt. Also present were GJHA staff members Jody Kole, Kristine Franz, Mary Gregory, Greg Hancock, Lori Rosendahl, Becki Tonozzi, and Jon Wickre. Grand Junction Mayor Bruce Hill was also in attendance. Joining the meeting later were Sheryl Trent, Assistant to the Grand Junction City Manager; Virginia Garcia; and Steve Heinemann.

2. Approval of the June 28, 2004 Board Meeting Minutes

With no comments or changes to the June 28th Board Meeting Minutes, the Minutes were unanimously approved with a motion from Gabe, a second from Erin, and a voice vote.

Sheryl Trent joined the meeting at 11:41 a.m.

3. Presentation of Quarterly Financial Statements for Period Ended June 30, 2004

Quarterly Financial Presentation

Prior to presenting the financial picture of the GJHA activities for the nine months ended June 30, 2004, Becki Tonozzi, GJHA Finance Director, noted that a different financial reporting format was used. Until now, combining the traditional financial statements wasn't possible with the Authority's accounting software, even though it was preferred. It was felt that this new format will not only show a complete picture of the Authority's Programs, including variances to budget, but be more comprehensive, and easier to understand. Format input was requested from the Board upon document review.

As the presentation proceeded, financial reports were thoroughly reviewed with certain line items highlighted and addressed. Board questions were further explained giving additional clarity.

Virginia Garcia joined the meeting at 11:55 a.m. and Steve Heinemann joined the meeting at 11:58 a.m.

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Jody informed the group that four individuals were being interviewed this week for the combined Family Self-Sufficiency (FSS) / Homebuyers Education (HBE) Coordinator's position. She noted that a GJHA Section 8 Staff Member was temporarily splitting time covering the two vacant GJHA positions – the part-time FSS position as well as the Service Coordinator's position at Ratekin Tower (vacancy due to the employee being on disability leave). Cross training of a front desk employee to assist with Section 8 Housing Specialist duties is on-going, as well.

Because of the known funding cuts from the U.S. Department of Housing and Urban Development (HUD), Becki pointed out that the funded Earned Administrative Fee on the Section 8 Housing Choice Vouchers Program has dropped from \$59.22/unit to \$54.61/unit, retroactive to January 2004. Jody added that Lori Rosendahl, Section 8 Supervisor, and her staff continue to work actively to keep the per unit Housing Assistance Payment (HAP) expenses down.

Becki distributed and explained the *Spreadsheet Recap* relative to the General Fund, HBE / Homeownership Program, the Shelter, and Linden to show the net impact of some significant items either not in the adopted budget for 2004 or items not likely to occur/be received in 2004 as follows:

- General Fund – At the time of budget adoption, there was a great deal of uncertainty about Linden and its funding sources. The grant application to the Colorado Division of Housing for \$800,000 (\$494,755 received at 6/30/2004 and \$305,345 at 7/31/2004) was not awarded until November 2003; thus, not budgeted for were the grant income, developer fee, and gain on the sale of the land.
- HBE/Homeownership – It was anticipated that, if a grant application were approved by HUD for the Homeownership Program, a budget would be brought to the Board. However, GJHA did not get this grant. The primary expenses to the program have been professional fees of \$9,428 to John Collier, Consultant, offset by rent income from the three Homeownership houses.
- Homeless Shelter – It appears the Shelter will not be receiving grant monies from Grand Valley Housing Initiatives from which to pay the General Fund a developer fee of approximately \$28,000 (nor will it be reimbursing the General Fund for covering disbursements of \$23,000 in 2003).
- Linden – Expenses through June totaling \$35,305 are ineligible to the Limited Liability Limited Partnership (LLLP) and will have to be covered by the General Fund.

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The General Fund's Income Statement "backed out" non-budgeted revenue items to show the effect of the shortfall in revenue for the first nine months of the fiscal year – along with expenses in excess of budget and non-budgeted expenses – which resulted in an overall negative variance of some \$81,846. It appears the developer fee or "surplus cash" from previous periods in the General Fund will be the available sources from which to cover the shortfall.

When reviewing the *Downtown Housing Effort Balance Sheet*, Gi requested the property addresses of the three accounts receivable loans. Becki will provide those addresses.

Upon review of the Crystal Brook financials, the numbers reflected that expenses were kept to a minimum, which prompted Gi to issue compliments to the GJHA Staff for a conscientious effort.

Request for Proposal for Audits

Becki distributed a *Summary Sheet* listing the accounting firms that responded to the GJHA and Grand Valley Housing Initiatives' (GVHI) Request for Proposal (RFP) for Audits for the next three fiscal years.

She recommended that the first four firms on the list be considered as possible candidates with the suggestion that a subcommittee of Board Members and GJHA Staff "narrow the field" and make a selection for Board approval. Discussion ensued pertaining to the strengths and weaknesses of the four firms.

Jody informed the group that a new requirement mandates that the auditor is selected within 60 days prior to the beginning of the new fiscal year and stressed how critical compliance with this timeline is.

A motion was made by Gabe that a subcommittee be comprised of a minimum of two Board Members and GJHA Staff that will review the proposals and make a final selection. Kathleen seconded the motion and the motion carried unanimously. Gi and Erin along with Jody and Becki volunteered to be on the subcommittee.

Jody noted that because it is crucial, more so now than ever before, that the auditors be very involved in submitting the Agency's financials in the correct format to HUD, Becki has dedicated an abundance of additional time in making sure the auditors get tasks completed correctly and on time.

Following financial discussions, today's two guests, Sheryl Trent and Grand Junction Mayor Bruce Hill were introduced. Ms. Trent will be working on economic development and housing-related projects and was attending the Board Meeting to become more familiar with the GJHA and its mission. Upon subsequent introductions made by GJHA Board Members and Staff, Board Chair Steve Heinemann assumed his responsibility as presiding officer of the Meeting.

4. Linden Pointe Update

Greg Hancock, GJHA Development Director, circulated a variety of pictures illustrating the construction progress at Linden Pointe. He reviewed the development site plan by identifying and giving the current status of each phased element of the project. Upon the distribution of his July 26th Board memorandum (memo), reference was made to the status of various activities and summarized by the following highlights:

- Telephone system vendor was chosen
- Furniture colors/fabric selection is being completed
- Office equipment is being defined
- Interior/exterior building finishes are being finalized so paint, shingles, etc. can be ordered
- Playground equipment is being analyzed
- Occupancy date projections were reviewed
- Requirements of Low Income Housing Tax Credit Program have been met (10% of tax credit basic costs must and have been expended prior to July 31, 2004)
- Budget status format explained and variances were identified

Discussion continued as Board questions pertaining to enclosing the building's evaporative units, and compiling potential tenant applicant lists were addressed. It was felt that the cooling "screens" were not an option, but absolutely necessary due to the enhanced aesthetic appearance given to the property by concealing the units from view. Because it was not certain if the prior budgeted dollars included this expense, a motion was made by Erin to approve the evaporative units' screening cost with a \$25,000 cap, if funds weren't previously incorporated into the approved budget. Gi seconded the motion. Additional discussion prompted amending the original motion to include "or not to exceed a 10% contingency". Voting unanimously approved the motion as amended. (NOTE: These costs were included in the original budget.)

Sheryl Trent and Bruce Hill left the meeting at 1:00 p.m.

In reviewing his July 20th Board memo regarding the Linden Clubhouse Furniture RFP, Greg walked the group through the various phases of the RFP process from defining the acceptable furniture criteria, identifying and discussing vendor responses,

to the bid award recommendation. It was also noted that the cost of the Clubhouse workroom shelving modules was intentionally excluded from the RFP as the shelving configuration will be done upon workroom completion, if considered necessary.

GJHA staff recommended that the Board award the bid to Office Outfitters for a “not to exceed” amount of \$36,000, which would include extra funds for the workroom shelving if shelving is later deemed appropriate. Erin made a motion to that affect with a second from Gi, and the motion was approved unanimously.

Samples of the carpet, tile, and furniture fabric/colors chosen for the Clubhouse were shown to the group with Board Members expressing their approval.

Steve complimented Shaw Construction on how immaculately clean the Linden Pointe construction site is and requested that the accolade be shared with Shaw Construction and its employees.

Cory Hunt left the meeting at 1:14 p.m.

5. Discuss Board Annual Retreat Facilitator and Scheduling

Jody informed the Board that she has had no success in finding a facilitator through an informal RFP process with colleagues, various consultants, and facilitating firms.

Proposals from the National Association of Housing & Redevelopment Officials (NAHRO) as well as from a private facilitating firm were expected but haven't been received. Erin suggested that an ad be placed in the *NAHRO Monitor* publication, so Jody will handle the details. Dialogue continued regarding possible facilitator recommendations, issues for retreat discussion, and moving the retreat date into November because of several October conferences.

6. Other Business

City of Grand Junction's Affordable Housing Forum

Jody announced that the GJHA has been very involved in working with the City of Grand Junction on the Affordable Housing Forum, which will be held August 26th at Two Rivers Convention Center. As part of the Housing Authority's efforts, documents will be shared at the Forum, that were created by GJHA staff, illustrating the analysis of Waiting List Applicants by annual household income, by affordable monthly rents, and also how the Linden Pointe development will affect these numbers.

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As Jody explained these documents to the group, she stated that currently there are 1,354 unduplicated applicants on the Waiting List for all Programs, and further stressed that breaking this number down reflects 905 households, or 67% of the Waiting List, with incomes under \$9,000 - which equates to an affordable monthly rent of \$225 or less including all utilities. Further analysis showed how Linden Pointe impacts the numbers and still reveals a huge gap at the lower end of the spectrum. It is felt that additional acquisition and rehab of existing lower-cost units, as well as the Voucher Program along with Linden Pointe are all needed to create the diversity necessary to meet the affordable housing needs of the Grand Valley.

Meeting participants confirmed their Forum attendance plans.

Becki Tonozzi left at 1:31 p.m.

Registrations for NAHRO / ESIC / Colorado Housing NOW!

Board Members committed to Conference preferences and travel arrangements will be made accordingly.

7. Executive Session to Discuss Update on Real Estate Research/Potential Acquisition – C.R.S. 24-6-402(4)(a)

At 2:12 p.m., Gabe made a motion, with a second by Kathleen, to adjourn the regular meeting and enter into Executive Session. The voice vote was unanimous.

8. Adjourn

The Executive Session was adjourned at 2:15 p.m. with a motion by Gi, a second by Erin, and a unanimous voice vote, thereby concluding the July Board Meeting.