

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting

November 29, 2004
Conference Room
1011 North Tenth Street: 11:00 a.m.

1. Call to Order

Prior to Board Chair Steve Heinemann calling the November 29, 2004, Grand Junction Housing Authority (GJHA) meeting to order, Cindy Reed, a representative from the GJHA Employee Relations Committee, extended an invitation to Board Members to attend the annual Christmas Dinner and Party on Saturday, December 11th at the Country Inns of America, and then solicited Board Members' participation in the evening's entertainment.

An enthusiastic welcome was extended to Tisha Petelo, who was appointed to the Board of Commissioners by the Grand Junction City Council. Tisha's appointment fills the Resident Commissioner position and extends through October of 2009. She replaces Cory Hunt whose term expired the end of October 2004.

The GJHA Board Meeting was officially called to order by Board Chair Steve Heinemann at 11:16 a.m. Board Members Kathleen Belgard, Gabe DeGabriele, Gi Moon, and Tisha Petelo were in attendance as well as GJHA Staff Members Jody Kole, Kristine Franz, Virginia Garcia, Mary Gregory, Jon Lindman, Lori Rosendahl, Becki Tonozzi, and Jon Wickre. Board Member Erin Ginter joined the group later.

2. Election of Officers of the Board of Commissioners for Fiscal Year 2004-2005

This Agenda item was postponed until later in the meeting.

3. Consent Calendar

The Consent Calendar (which included the adoption of the Minutes of the October 25th Board Meeting, the approval of Resolution 2004-10 Approving Low Rent Housing Assessment System (PHAS) Management Operations Certification, and the approval of Resolution 2004-11 Approving Section 8 Management Assessment Program (SEMAP) Certification) was approved with a motion by Gi, a second by Gabe, and a unanimous vote.

4. Presentation of Calendar Year 2005 Budgets for Linden Pointe and Crystal Brook Townhomes

Becki Tonozzi, Finance Director, began to review with the group her November 29th memorandum outlining the Proposed 2005 Budgets for Crystal Brook Townhomes and Linden Pointe.

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She started with the Crystal Brook Townhomes budget first and explained that this budget is different this year from other years. Because of the unexpected unit vacancies during the past year, a projected 10% unit vacancy rate for this year has been factored into the 2005 budget figures.

Erin Ginter arrived at 11:18 a.m.

Becki continued to explain revenue and expense line items and the reasoning supporting the numbers, as well as noting that the (\$24,000) cash flow figure will require a draw from the Replacement Reserve Account for the first time unless a lower vacancy rate than 10% is experienced. Board Members' questions continued on various budgeted line items with Becki providing further clarification.

Jody Kole, Executive Director, and Virginia Garcia, Asset Manager, stated that Crystal Brook Townhomes haven't experienced a high vacancy rate problem until this year and attributed the problem to earlier funding cutbacks by the U.S. Department of Housing and Urban Development (HUD) and the subsequent loss of receiving incremental Section 8 Vouchers. It was noted that Valley-wide, Tax Credit Properties are also experiencing high vacancies and the overall rental market remains soft.

As discussion continued, Jody outlined several marketing strategies that will be implemented in the near future to combat the vacancy issues at Crystal Brook:

- Focus groups comprised of current or potential Crystal Brook tenants will be interviewed to better identify barriers that can be changed and/or improved upon to attract and/or retain tenants.
- Lori Rosendahl, Section 8 Supervisor, will be working on a request to HUD to allow site-basing some of the Agency's Vouchers, particularly the Family Unification Vouchers, and focusing on Youth Aging Out-of-Foster-Care. Lori stating that a waiver has been applied for asking HUD to waive the requirement of the competitive bid process in which all valley landlords would bid on site-based housing vouchers. To date, a decision hasn't been received from HUD.
- Because the Colorado Division of Housing (CDOH) has had fewer requests for development money due to the soft rental market on the Front Range and Tax Credit Properties having very high vacancy rates, some of this money has been granted as Site-Based Rental Assistance for the Tax Credit Properties. Preliminary conversations have been initiated with local partner organizations about "joining forces" and submitting a joint application requesting some of this money for the Grand Junction Tax Credit Properties.

A brief brainstorming session identified other outreach opportunities for attracting more qualified tenants to Crystal Brook Townhomes. Ideas included working with the Catholic Outreach Transitional Housing Program, establishing a campaign that focuses on the target audience of qualified workers through their employers, and various advertising ideas (put ads on pharmacy prescription bags, distribute income limits qualifying flyers for easy public access at various retail outlets, and run radio spots). Erin's suggestion that a commitment be made to contact 100 companies in the valley to target qualified workers was well received, with Gi and Kathleen both agreeing to submit 25 names to support this list. Tisha will contact the Mesa County Work Force Center for their support to furnish employer names, as well. Additional places like churches, day care centers, schools, and laundromats were also suggested as locations where qualified workers can be targeted. Jody noted that Jon Wickre, Outreach Coordinator, will be contacting the North Avenue and Horizon Drive Merchant Groups as employers of likely qualified workers, and has already planned to revisit the larger community employers, as well.

Discussion had drifted from budgets to marketing efforts, but it was felt that the marketing dialogue was necessary prior to budget approval decisions. A motion, therefore, was made by Gabe and unanimously approved to table budget discussions until later in the meeting.

5. Discussion of Marketing of Crystal Brook Townhomes and Linden Pointe

Recent marketing efforts for Crystal Brook Townhomes and Linden Pointe were summarized in Jody's November 23rd memorandum to the Board. Additional handouts outlined more outreach ideas along with the projected timeline and responsible personnel.

Jody reiterated her opinion that the answer isn't to continue to build more units, but to make existing units affordable, and she shared her idea called "scattered site subsidized units". With non-HUD supplemental funding (from local and state governments), the rent for some units could be lowered, for example, to a 30% Area Median Income (AMI) which would make more units affordable for qualified workers. This prompted discussion on how and where to acquire the needed funds to accomplish this.

Mary Gregory and Lori Rosendahl both left the meeting at noon.

Jody mentioned that the Grand Junction City Council (City Council) is contemplating putting some money in its 2005 Budget for affordable housing, and she suggested that the Housing Authority put together a proposal giving Council Members some options on the use of those funds. Although a meeting is already scheduled with the City Council on January 17, 2005, and will focus on a follow-up of the City's Affordable Housing Forum and the City Council's Strategic Plan, possibly a proposal could be submitted at that time. Jody was asked to pursue this. (Note: At the request of the Grand Junction City Council, this meeting has been rescheduled to January 24th at 11:30 a.m. at Linden Pointe.)

Lori Rosendahl returned at 12:30 p.m.

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A brief update on the leasing status of Linden Pointe was given by Jody and Virginia. Handouts dated November 29th were distributed reflecting the current occupancy numbers by buildings.

An Open House at Linden Pointe will be held on Saturday, December 4th.

Continuation of the Presentation of Calendar Year 2005 Budgets for Linden Pointe and Crystal Brook Townhomes

Returning to budget discussions, extensive conversations ensued particularly addressing the budgeted 10% unit vacancy rate at Crystal Brook Townhomes. Becki continued to clarify various Board questions.

Gi expressed strong concern that by adopting a budget for Crystal Brook which is based on a 10% vacancy rate, the Board sends a message that a 10% vacancy is acceptable. She doesn't consider it acceptable and wants staff to work very hard to reduce the vacancies at Crystal Brook.

Becki resumed the review of her November 29th budget memorandum by addressing the revenue and expense summaries for Linden Pointe. She indicated that assumptions were made on: 1) rents "phased in" on units leased, 2) estimated costs, and 3) a 5% unit vacancy factor. No debt service is reflected in the budget since repayments of loans don't begin until January of 2006.

Jody expressed concern about obtaining Certificates of Occupancy on completed units if the Linden Development street paving isn't completed prior to the batch plant closing in December.

With budget discussions completed, a motion to approve both budgets was made by Erin and seconded by Kathleen but then revised to approve each budget separately. The motion to approve the Crystal Book Townhomes budget was approved but with one opposing vote (Gi Moon). The Linden Pointe budget was unanimously approved.

6. Plan for the January 17, 2005 Meeting with the Grand Junction City Council Members

Because of the Christmas holidays, the group decided to cancel the regular December 27th Board Meeting. The next regular Board Meeting will be January 24, 2005.

In preparation for the January 17, 2005, meeting with the City Council Members, the Board felt a planning session would be beneficial. A special preparation meeting will be held on January 7th at 1:30 p.m. at the Dolce Vita Restaurant. Attendees desiring a late lunch will "pay their own way".

Election of Officers of the Board of Commissioners for Fiscal Year 2004-2005

Nominations were opened for the Board Chair for Fiscal Year 2004-2005. Steve was nominated for a second term by Erin with a second by Gi. There being no further nominations, the process was closed with a motion by Gabe and a second by Erin. Steve accepted the position upon a unanimous vote.

Upon Steve's request for Vice Chair nominations, Gi was nominated by Gabe with a second by Erin. With no further nominations, the process was closed with a motion by Gabe and a second by Erin. Gi accepted the position upon a unanimous vote.

7. Other Business

Training

Brief discussion was held pertaining to Commissioner's training for Tisha. Even though this year's National Association of Housing & Redevelopment Officials (NAHRO) Conference was a huge disappointment to Board Members, joint consensus indicated that the NAHRO Commissioners' Fundamentals Training was still very worth while and beneficial. Tisha was encouraged to attend Commissioners' Fundamentals Training as soon as possible.

Tisha Petelo, Virginia Garcia, Mary Gregory, Jon Lindman, Lori Rosendahl, Becki Tonozzi, and Jon Wickre left the meeting at 12:50 p.m.

Linden Pointe Clubhouse

Steve stated that he would like to see the decor of the clubhouse reception area enhanced if there are contingency funds still available in the Linden Pointe budget upon construction completion. Discussion followed with various Board Members contributing additional decorating ideas.

Annual Board Retreat

Gi mentioned that she is familiar with an out-of-town facilitating firm that specializes in assisting organizations with goal setting, retreats, etc. and asked that they be considered when choosing the next Board Retreat facilitator. Board Members discussed possible time frames for the 2005 Retreat.

8. Adjourn

At 12:55 p.m., the Board Meeting was adjourned with a motion by Gabe, a second by Erin, and a unanimous vote.

