

## MINUTES

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

Monday, August 29, 2005  
Housing Authority Offices  
1011 North Tenth Street  
11:00 a.m.

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

Grand Junction Housing Authority (GJHA) Board Members and Staff gathered together on August 29, 2005 to visit with Mr. Gene Geritz, from the U.S. Department of Housing and Urban Development (HUD). Gene previously talked with GJHA Board/Staff Members on August 5<sup>th</sup> and was invited back again to further discuss and clarify options on the sale of Public Housing and ways to reinvest the funds with some of the resources and restrictions.

The luncheon meeting was called to order at 11:10 a.m. by Board Chair Steve Heinemann with the following individuals in attendance: Board Members Teresa Coons, Gabe DeGabriele, and Erin Ginter; Staff Members Jody Kole, Kristine Franz, Mary Gregory, Greg Hancock, Lori Rosendahl, Becki Tonozzi, and Jon Wickre. During the meeting, Virginia Garcia, Gi Moon and Jon Lindman arrived.

### 2. **Public Housing Demolition/Disposition Options**

After "around the table introductions" were made, Gene summarized his understanding of what the Agency wants to accomplish, and followed up with identifying what the Agency could do to accomplish this endeavor, as outlined below.

#### Summary of Agency's Goal

Increasing affordable housing stock is the GJHA's objective. Consideration has been given to eliminating the Public Housing units if replacements can be given for low income families. With CASH always an issue, is there a method available to the Agency to generate the money needed to build more affordable housing?

#### Selling the Public Housing Units

Gene began by stressing that a key element in this process is a thoroughly detailed amendment to the GJHA's Public Housing Authority (PHA) Plan that must be submitted and approved by HUD.

Selling the scattered single-family units is recommended to generate equity to use as seed money. A Disposition Agreement would have to be approved at the HUD Field Office, and this potential disposition transaction would need to be included in the previously amended PHA Plan. Restrictions are that the property would need to be sold for the appraised property value. The appraisal needs to be two sided – first, take the value as Public Housing property with the deed restriction in place, and second, take the value of the property as un-deed restricted market property. This determines the area for a sales price. A recommendation was made to procure a brokerage firm, on a competitive basis, to sell the properties. Gene continued to give guidance on the various exercises that will be encountered along the way.

Jon Lindman arrived at 11:20 a.m. and Gi Moon arrived at 11:22 a.m.

Proceeds of the sale of the Public Housing Units should be set aside for housing of low income families in an escrow fund, not commingled with other funds. Gene also cautioned against potential conflicts of interest in any of the activities.

#### How to Generate Additional Low Income Housing

In conjunction with the disposition of Public Housing Units, the Agency would become qualified for *Relocation Vouchers and Replacement Housing Factor (RHF) Funds*.

Upon application, *Section 8 Relocation Vouchers* could be given for the families that are displaced, as it is the Agency's responsibility to house these families.

*RHF Funds* are capital funds and are granted automatically on a formula basis. Allocated on an annual basis with an initial five-year increment, a second five-year increment will be given if the funds are satisfactorily spent. The payments over ten years are reasonably close to paying the actual replacement value of the units, not including the cost of land. These funds are restricted and may only be used for replacement of Public Housing.

Potentially, *Replacement Vouchers* could also be available. If the replacement of the disposed units hasn't occurred yet but the Agency has the proceeds set aside to do so, *Replacement Vouchers* can be applied for and received. Gene went on to explain how the replacement numbers are defined under the Annual Contributions Contract (ACC).

The granting of *Relocation Vouchers, RHF Funds* and *Replacement Vouchers* has no affect on the ability to obtain future operating subsidy.

The most optimal mixture of units to get loan funds, tax credit money, etc. and maximize the use of the money is a blend of one-third tax credit, one-third market rate,

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and one-third Public Housing units. Gene further discussed and thoroughly explained additional financing opportunities and how they would work. It was recommended that the Agency enter into an agreement with a non-profit entity that acts as the developer to supply services for mixed income projects.

Virginia Garcia joined the meeting at 12:30 p.m.

Staff and Board Members' questions pertaining to Capital Funds, land acquisition, and unit renovation were among additional topics addressed.

Gabe left at 12:37 p.m., Gi left at 12:47 p.m., Teresa left at 12:55 p.m., and Lori left at 1:02 p.m.

Prior to the conclusion of the meeting, Gene outlined the initial steps in this endeavor:

- Define the Scope and incorporate it into the GJHA's PHA Plan, separating into two elements:
  - Sale of the single-family units
  - Redevelopment of Capital Terrace Townhomes
- Submit to HUD a Disposition Application for approval, which will include a Board Resolution, Relocation Plan, and Lot Split for the single-family homes.
- Procure a firm to perform a Phase I and perhaps a Phase II Environmental Assessment on the single-family homes.

### **3. Adjourn**

The meeting was informally adjourned at 1:05 p.m.