

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting

Monday, November 28, 2005
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. **Call to Order**

When the Grand Junction Housing Authority (GJHA) Board Meeting was called to order at 11:40 a.m. by Board Chair Steve Heinemann, the following individuals were present: Board Members Kathleen Belgard, Teresa Coons, Gabe DeGabriele, Erin Ginter, and Gi Moon; Staff Members Jody Kole, Kristine Franz, Virginia Garcia, Lori Rosendahl, Becki Tonozzi, and Jon Wickre. Sheryl Trent, Assistant to the Grand Junction City Manager, was also in attendance.

2. **Consent Calendar**

The Consent Calendar, consisting of the October Board Meeting Minutes, Resolution No. 2005-11 Writing Off Bad Debts, and Resolution No. 2005-12 Adoption of the Section Eight Management Assessment Program (SEMAP) Self-Assessment, was accepted as presented with a motion by Gi, a second by Erin, and a unanimous vote.

3. **Consideration of Response to City Denial of Funding Request for Tenant-Based Rental Assistance and Employer-Assisted Homeownership**

Jody Kole, GJHA Executive Director, reported that funding requests submitted to the City of Grand Junction for the administration side of both the Tenant-Based Rental Assistance and Employer-Assisted Homeownership Programs were declined. Other funding options continue to be pursued, however.

Teresa Coons commented that the Grand Junction City Council declined to fund any "outside agencies" including the GJHA this year, saying that it encourages non-profits to become dependant on City funding for their survival.

Jon Wickre, GJHA Outreach Coordinator, mentioned his conversations with representatives of prior funding sources, indicating that most are interested in giving grants for capital funding projects, rather than for the operational side of programs. Group follow-up conversation included ideas on how to broaden the funding search.

Because of the encouragement received from Freddie Mac, GJHA staff believed financial assistance would be available from Freddie Mac for the startup of the Employer Assisted Homeownership Program, and thus, initiated a \$40K request for the administration of

Minutes (contd.)

Page 2

this Program. Jody was recently informed by Mr. Rick Padilla of Freddie Mac that the request has been formally submitted.

Note: Word has since been received from Mr. Padilla that the U.S. Department of Housing & Urban Development (HUD) is reviewing all government sponsored entities, so pending this review, Freddie Mac has been told to discontinue participation in any new homeownership initiatives.

Highlights of the last Housing Partnership Meeting were shared and are summarized:

- It is possible that the City of Grand Junction could be persuaded to allocate the remaining \$26K in Community Development Block Grant (CDBG) monies for a one-time grant for partial funding of the Tenant-Based Rental Assistance Program.
- Last year the Grand Junction City Council set aside \$500K for local housing assistance, and most of those funds are still available for use. A new concept of using the \$500K as seed money to institute a revolving loan program/housing trust fund was introduced. With this idea, Council Members believe all organizations that contribute to the Mesa County workforce housing picture could be helped. There was also discussion concerning creating a separate non-profit entity to administer these funds, as well as using this entity to apply for available funding from other sources to “increase the pot” .
- Even though some local affordable housing entities indicated that no or low-interest revolving loans would be very helpful to their programs, Jody pointed out that for a majority of the GJHA Programs, the families that are served don't have the income to repay a loan; thus, the Agency is continually seeking grants to fund its programs and developments. Because of this reality, a parallel concept was introduced - establish an affordable housing trust fund, thereby creating the opportunity to obtain grants with matching funds and not just have exclusive revolving loans.
- Jody was asked to research similar revolving loan programs for a potential model prior to the next meeting.

4. Other Business

Fiscal Year End September 30, 2006 GJHA Annual Budget Update

Previously adopted GJHA Board Meeting Minutes documented the approval of the GJHA's 2006 Fiscal Year (FY) Operating Budget, in which two Programs, Section 8 Vouchers and Homebuyers Education/Homeownership (HBE), showed a deficit.

Shortfalls were attributed to prior errors in HUD's calculation of Administrative (Admin) Fees for both FY 2004 and FY 2005 for the Voucher Program and a lack of committed grant income for the HBE Program, respectively.

GJHA NOW HAS A BALANCED 2006 BUDGET.

Following extensive advocacy by Staff, both with HUD officials and our legislative delegation, Jody received notification from HUD that \$57,899, which represents the above referenced HUD corrections in Admin Fee calculations, will be forthcoming and is to be booked as income for Calendar Year (CY) End December 31, 2005. This amount more than covers the shortfall. In addition, this corrected calculation will be the baseline from which funding for CY 2006 Admin Fees will be calculated. Staff believes that the 2006 year allocation numbers will be more favorable than what was budgeted for; however, those numbers won't be available until mid to late-January.

Sale of Church Property

Because of the prior interest in the Assembly of God property on 4th and Grand, the group was informed that the existing contract on the property has been withdrawn by Mr. Pulsifer, and the property is back on the market. Discussion reflected continued interest, and new possibilities will be explored.

New Market Tax Credits

Previous conversations with Mr. Jamie Gomez from the Colorado Housing and Finance Authority (CHFA) indicate that he is willing to share his expertise in New Market Tax Credits and guide Agency Staff through the process if such a project (such as a Linden Pointe day care center) was to move forward. He is planning on coming to the Western Slope before year end, at which time discussions will continue.

Linden Pointe Close-Out

Jody reiterated to Board Members that she and Becki continue to work on the resolution of a difference in total costs documented between GJHA numbers and Novogradac's (the tax credit auditor) numbers of approximately \$1.153M for Linden Pointe. She further identified the problem areas and answered Board questions as they arose. She believes that a portion of the problem is already solved with preliminary conversations, and that a significant piece will be resolved within the next five days.

Negotiations with MMA Financial, Novogradac, and CHFA have been slower than hoped due to absenteeism of their key decision makers.

Minutes (contd.)

Page 4

Becki and Jody are working with CHFA on the permanent loan financing. Some costs (insurance, utilities, and investors' service fees) are higher than anticipated. Staff doesn't believe that CHFA will be comfortable with the debt coverage ratio and, therefore, has asked CHFA to downsize the higher interest rate loan of \$2M at 6.06%. As the difference will have to be made up somewhere else, three possible options were presented by Jody and further analyzed.

Various component deadlines of the total final Tax Credit Application were identified as well as reiterating that upon completed negotiations, the permanent loan will be closed as early as possible in January to stop the accrual of construction interest.

Board Members will be kept informed as progress continues.

Sale of the Fruita Property

With the rehab complete on the Fruita house, the realtor has been "showing" the Fruita residence. However, because of HUD's requirement that a residence must be sold to someone whose income doesn't exceed 115% of that family size area medium income, several potential buyers have not qualified. Coming up with a down payment seems also to be a challenge. How to better target the qualified market was discussed.

5. Executive Session

With a motion by Gi, a second by Gabe, and a roll call vote, Board Members entered into an Executive Session at 12:50 p.m. for the purpose of discussing personnel issues.

6. Adjourn

Upon the conclusion of the Executive Session, the regular November GJHA Board Meeting was adjourned.