

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting

Monday, August 27, 2007
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

Before the August Grand Junction Housing Authority (GJHA) Board Meeting began, Executive Director Jody Kole informed the group that at 10:00 a.m. today a public hearing was held on GJHA's plans to seek grant funding from the Colorado Division of Housing (CDOH) in the amount of \$1,100,000 to develop 72 multi-family rental units (known as Arbor Vista) in Grand Junction. This hearing was held to give community members an opportunity to express their comments/concerns.

Note: No community members were present for this hearing.

1. Call to Order

The regular August Grand Junction Housing Authority (GJHA) Board Meeting was called to order at 11:33 a.m. by Board Chair Kathleen Belgard with four other Board Members in attendance - Steve Heinemann, Gi Moon, Ora Lee, and Tisha Petelo; and eleven staff members - Jody Kole, Voucher Program Supervisor Debbie Armenta, Supportive Services Supervisor Margaret Ellrick, Executive Assistant Kristine Franz, Property Management Supervisor Virginia Garcia, Property Maintenance Supervisor Walter Garcia, Development Director Don Hartman, Operations Director Lori Rosendahl, Accounting Supervisor Cheryl Sweers, Development Officer Jon Wickre, and Finance Director Andre' van Schaften.

2. Consent Calendar

With a motion by Steve and a second by Ora, the following items on the Consent Calendar, the adoption of the June 25th, July 23rd, and July 30th Board Meeting Minutes, and *Resolution No. 2007-11 Authorizing the Write-Off of Bad Debts*, were approved as submitted (four "yes" votes and one "abstention" from Gi Moon).

3. Development Update and Approval of Resolution No. 2007-12 Approving Arbor Vista Development Funding Applications

A brief development update by Don included the following highlights:

Arbor Vista

- The Tax Credit Application for Arbor Vista was submitted to the Colorado Housing and Finance Authority (CHFA) on July 31st with staff responding on August 17th and August 22nd, respectively, to CHFA's Clarification Letters of August 8th and August 20th.

Minutes (contd.)

Page 2

- An informative project presentation was given to the Colorado Board Members at their August 15th Meeting. Jody, Don, and GJHA attorney Rich Krohn attended, sharing the presentation material. They indicated that the information was well received.
- The Mesa County Grant Request for Arbor Vista has been submitted.
- The In-fill Application has been submitted to the City of Grand Junction.
- The CDOH Grant Request is in the final stages for a submittal the end of August. Note: This Request was submitted August 30th.
- All tenants have been relocated, leaving all property units vacant with the windows boarded to deter vandalism.
- It is anticipated that CHFA's decision pertaining to the GJHA's Tax Credit Application will be received around September 21st.

2817½ Elm Avenue (Property Adjacent to Arbor Vista)

- August 7th was the closing date for 2817½ Elm. The tenant intends not to remain in the house.

Virginia Garcia arrived at 11:40 a.m.

Village Park

After reviewing Don's memo of August 17th, lengthy dialogue ensued pertaining to Village Park property specifics and ideas for development consideration. Jody mentioned that during a meeting that she, Kathleen, and Teresa had with Grand Junction City Manager Laurie Kadrach, they requested the City budget \$750,000 next year for financial support for Village Park and Bookcliff Squire. Ms. Kadrach indicated that she would add the request to the City's growing wish list for 2008 Budget.

After further discussion, it was decided to assemble at Village Park (28¼ and F Roads) to "kick dirt" and discuss development options. **This site visit is scheduled for 10:30 a.m. on September 24th, immediately prior to the September Board Meeting.** The Board Meeting will convene at the GJHA's main office building upon the conclusion of the site visit.

Bookcliff Squire

Hilltop Community Resources approached Jody regarding availability of any units for families leaving domestic violence situations. Staff had hoped that the small house could be made livable for this purpose. A subsequent inspection revealed that this would not be a viable option. This house will NOT be leased, pending demolition.

Resolution No. 2007-12 Approving Arbor Vista Development Funding Applications was unanimously approved with a motion by Gi and a second by Steve.

**4. & Presentation of Quarterly Financial Statements Ended June 30, 2007 for GJHA,
5. Crystal Brook Townhomes, and Linden Pointe**

Cheryl distributed and reviewed the *Agency Financial Discussion Sheet* which highlighted the following topics for discussion from the Quarterly Financial Statements Ended June 30th:

- Receipt of the third installment from the Limited Partner for Linden Pointe and how it was used.
- Acquisition activity on Arbor Vista, Bookcliff Squire, Village Park, and three individual houses.
- Draw down on the Walnut Park and Ratekin Tower Replacement Reserve Accounts and the reasons.
- Increased funding from HUD for the Housing Choice Voucher Program and an explanation.
- Maturing loans.

Gi's questions pertinent to several of the second quarter financial highlights noted in Cheryl's July 23rd memo were addressed and answered by staff. Gi proposed that if a more up-front research could be done prior to granting the security deposit loans, a repayment history should surface, assisting in better approval/disapproval decisions and keep receivables potentially lower. Lori explained that this isn't a new Program and will provide the Board with a Program Default Report.

Lastly, Gi commented that now, in the process of closing out the Fiscal Year (FY) 2007 Budget she has reflected back to a time of contention in approving this deficit Budget even though the needed funding did come through as anticipated. She stated that in her opinion it is much better to approve a Budget such as FY 2008.

6. Finance Committee Update

Gi reported that the Finance Committee met for the first time on August 21st. The meeting was more of an informational meeting for the two external community members, Dan Vogle and Matt Coleman, who joined Gi, Tisha, Jody, Cheryl, and Andre'.

Cheryl and Andre' will provide fiscal year-end budget and auditor information to the committee for review/comments prior to their next meeting on September 25th.

7. Present and Request Approval of FYE 09/30/08 GJHA Annual Budget

Prefacing the GJHA FY 2008 Budget presentation, it was noted that the Budget packet was delivered earlier (on August 18th) to Board Members in the hopes of providing additional time for a more relaxed review process.

Minutes (contd.)

Page 4

Kicking off the presentation, Cheryl mentioned the following change to the previously distributed Budget documents:

- Housing Choice Voucher Program saw an increase of \$20K in revenues for a Random Digit Dialing Study.

Providing further clarification and information with the distribution of the following four documents, *Capital Expenditures*, *Reserve Accounts Balances*, *Fiscal Year End September 2007 Voucher Budget*, and *the Combined Operating Report Budget*, Cheryl identified significant changes to the FY 2008 Budget. Summarization is as follows:

General Fund

- With a projected increase in revenue by raised maintenance fees, the compensation increase due to pay adjustments, salary increases, and new positions will be partially offset.
- Financial support to Grand Valley Housing Initiatives and Calling Mesa County Home is included to accelerate the Program's growth.
- Capital expenditures for a maintenance department replacement vehicle, an administrative department replacement copier, a computer, a lawn mower/snow removal tractor, and energy efficient reductions of exterior glass walls reduce the net income.

Continuing on with the process, each Program was thoroughly reviewed and discussed. Board questions and comments were addressed and clarified. Program highlights follow:

Acquisitions and Development

- Due to fewer HUD houses held in inventory, the rental income and related expenses will decrease. Grants are anticipated from the City of Grand Junction and Mesa County, and receipt of a \$100K Developer Fee has been budgeted.
- Compensation increases due to a more equitable allocation of salaries.
- Assumed partnership reimbursement for Arbor Vista expenses is reflected as well as the transfer of the remaining cash from the disposition of Capital Terrace units.

Lincoln Apartments

- A positive cash flow continues even after cash transfers to other projects.

Calling Mesa County Home

- Progress is being made towards the preparation and implementation of a Strategic Business Plan for this Program.
- Seven new homeowners have been produced in the last year.

Minutes (contd.)

Page 5

- Efforts are underway to accelerate this Employer Assisted Homeownership Program with increased outside grant funding efforts and marketing strategies.

Ratekin Tower Apartments

- Capital expenditures will be drawn from the Replacement Reserve, still leaving a projected positive cash flow.

Walnut Park

- Upon Board approval, a large roof repair project will be financed by a request to draw funds from the Residual Receipts Account and begin in October. A positive cash flow is projected.

Capital Terrace

- Hopeful of disposing all or part of the units in this Fiscal Year; however, full year revenues and expenses are projected.
- Relocation expenses and disposition transaction costs have been projected.
- Projected cash surplus will be transferred to Acquisitions and Development to support new developments in the coming years.

Bookcliff Squire

- A small positive cash flow is projected after considering rental income, operating expenses, acquisition related interest expenses, and a cash transfer from Lincoln.

Tenant Based Rental Assistance Program

- This Program is scheduled to end in April of 2008, but with the possibility of continuing until full funding is expended. Expenses were budgeted for the entire year, while projected revenues ended in April, resulting in a funding shortfall which will be managed once the outcome of the additional funding request is received.

Housing Choice Vouchers Program

- Increased compensation and the inclusion of a one-time Random Digit Dialing Study costs causes a reduction in the Net Income.
- It is hoped that \$20K will be obtained from the Mesa County Department of Human Services and other Public Housing Authorities in the region to help fund the Random Digit Dialing Study.
- Request Board authorization to purchase a vehicle with FY 2007 Voucher Funds. This purchase was originally budgeted in 2008 but staff requests that the purchase be moved into 2007.

Family Self-Sufficiency Program

- United Way grant money and HUD funding are known. For the Program to be self-sustaining, however, grant funding will need to increase. The new Special Projects Coordinator will be responsible for helping to generate new grant dollars for Tenant Services' Programs.

Housing Advocate

- For this Program to be self-supportive, more revenues are needed.

Downtown Housing Effort

- Continued interest income generates a positive cash flow after covering minimal expenses.

In looking at the Downtown Housing Effort (DHE) fund and its positive cash flow, Gi suggested that we approach the Downtown Development Authority (DDA) to use some of these funds to help sponsor the Calling Mesa County Home Program downtown with the focus on the smaller business owners in the DDA District. Possibly a downtown pool organization could be created from participants of the DDA.

As a side note, clarification was given on the role and responsibilities of the Special Projects Coordinator.

In working towards the preparation and implementation of a Strategic Business Plan for Calling Mesa County Home, Andre' referenced his August 17th memo to the Board and followed with a summary to the group on the progress thus far. At the conclusion of his update, he posed the question to the Board, "*Why do we need two entities, Calling Mesa County Home (CMCH) and the Grand Valley Housing Initiatives (GVHI), to accomplish the identical objective?*" In support of his question, he continued with further evaluation findings which led to extensive group discussion. As Erin, the GJHA Board Representative to the GVHI Board, was absent from this Meeting, the Board decided to wait until she is present to discuss her assessment of the situation. A discussion with the GVHI Board will also be held at a later date.

With everyone acknowledging that there are unknowns in the Budget that will develop over time, Gi made a motion to approve the FY 2008 GJHA Budget as presented, including the expenditure for the vehicle out of the Housing Choice Voucher Program with so noted possible changes. Kathleen seconded the motion and it passed with a unanimous vote.

8. Other Business

Board Packets

Because some Board Members have expressed different preferences in how they receive Board Meeting packet information, documents will be made available both in electronic and paper formats, beginning with the September meeting.

Thanks to Cheryl Sweers

Cheryl was recognized by Board Members and staff for “holding down the fort” during the last year in the absence of a Finance Director. With the department understaffed, Cheryl has put in a lot of extra effort and time. Also, to Cheryl’s credit, Board Members stated that this has been the best budgeting process ever due to receiving smaller doses of budget information over a longer period of time, thus allowing ample review time. Thank you, Cheryl, for your commitment!

Update on GJHA Job Vacancies

Updating the group on the status of several vacant GJHA positions, Lori announced that the Housing Choice Voucher Program Supervisory position is open due to the current Supervisor deciding to step down and return to her previous position as GJHA Housing Specialist. Other positions currently open include the Housing Advocate, Property Manager, and the Eligibility Technician. A Family Self-Sufficiency Coordinator and a Housing Quality Standards Inspector have been hired and the maintenance position should be filled shortly.

Note: Since this Meeting, the Housing Choice Voucher Program Supervisor, the Housing Advocate, the Property Manager, and the Maintenance Specialist positions have all been filled. The Eligibility Technician position remains open at this time.

9. Adjourn

With business concluded, Kathleen moved to adjourn the meeting. With a second by Steve, and a unanimous vote, the meeting adjourned at 1:21 p.m.

