

## MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
Regular Meeting

Monday, August 25, 2008  
Housing Authority Offices  
1011 N. Tenth Street  
**11:30 a.m.**

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

With ten Grand Junction Housing Authority (GJHA) Board Members and Staff in attendance, Board Chair Steve Heinemann called the regular August Board Meeting to order at 11:43 a.m. Those in attendance included Board Members Kathleen Belgard, Teresa Coons, Erin Ginter, Ora Lee, and Paul Marx; and Staff members Executive Director Jody Kole, Executive Assistant Kristine Franz, Accounting Supervisor Cheryl Sweers, and Finance Director Andre' van Schaften.

### **2. Welcome to New Board Member**

A welcome was extended to the new resident Board Member Paul Marx.

### **3. Adoption of Minutes of July 28, 2008**

With a motion by Teresa, a second by Ora, and a unanimous vote, the Minutes for the July 28<sup>th</sup> Board Meeting were adopted as presented.

### **4. Development Update**

With the absence of Development Director Don Hartman, Jody highlighted the status of various projects.

#### Arbor Vista

Reporting that Arbor Vista construction is progressing very well, Jody informed the Board that the City of Grand Junction (City) has changed its direction to improve Elm Street. Because the City has no immediate expansion plans for east Elm Street, the proposal is to leave Elm Street as it exists now. However, because Elm Street is Arbor Vista's front door, GJHA desires an attractive entrance and has made a counter proposal. At the northeast end of the Arbor Vista property and the adjoining property, there is a fire hydrant that would have to be moved if street expansion was to continue. Because of the expense of moving a fire

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hydrant, staff has requested the City make a merge lane in/out of Arbor Vista, to the east, leaving the fire hydrant in place but creating smoother traffic flow with an attractive access. The City agreed to consider the proposal.

Answering Teresa's question regarding the possibility of the project being completed ahead of schedule, Jody responded that no specific completion date has been given but that the contract states two buildings will be finished in January 2009, two in February, and then one consecutively beginning in March through May 2009. It is believed that every building is effectively a month ahead of schedule. Mentioning that a total of 35-40 completed applications from potential or existing clients have already been received prompted discussion and clarification of the following topics:

- Marketing efforts being used – None; walk-in traffic or existing clients are the ones applying.
  - The group agreed that a mass mailing would be done to all Waiting List applicants. Staff will proceed with the mailing effort.
- Preference points – None; applicants must meet income limits and background checks.
- There is a separate application process and Waiting List for each GJHA property, including Arbor Vista.
- Eight Family Unification Program (FUP) Vouchers have been allocated as site-based Vouchers for this property.

#### Bookcliff Squire/Walnut Park

Jody indicated that the Request for Qualifications (RFQ) for architectural services at Bookcliff Squire and Walnut Park was issued, to which nine responses were received. Four applicants will be interviewed on August 27<sup>th</sup>.

(Note: Applicants were interviewed and Blythe Design Group Co. was the firm selected.)

Clarification was given to Erin regarding her question pertaining to GJHA building a new office and where that might be. Jody explained that two different location options exist; one, at the Village Park property, and the other in the Downtown Library/Church Block consolidation project. She continued by urging Board discussion of these choices, as Board decisions will need to be made in the near future in order to move forward with the Village Park development plans. Jody reiterated the scope of the Master Downtown Development Plan, previously identified at an earlier Board Meeting. Group discussion followed on topics pertaining to time frame and funding sources of this Downtown development.

Addressing Don's August 19<sup>th</sup> Board memo, Erin initiated discussion on the proposed incentive for Shaw Builders (Shaw) to complete construction and deliver Arbor Vista buildings ahead of schedule. Jody explained that when agreeing to the contract's liquidated damages clause, a penalty for late delivery of buildings, Shaw asked then if there would be an incentive for delivering the buildings early. As meeting and/or exceeding the delivery deadline draws closer, Shaw inquiries continue about an early completion incentive. It was noted that Shaw included additional dollars in the contract price for an accelerated completion date. However, every building that comes in early helps GJHA get it leased earlier, helps tax credits run earlier, and financial bonuses are received from the Equity Investment Partner, Enterprise Community Investment Inc., estimated at \$8300 - \$8600 per building per month, contingent on the building(s) being 100% leased by month-end.

Lengthy Board discussion led to a motion by Teresa and a second by Kathleen to share with Shaw a 65%-35% split on any bonus that GJHA receives from Enterprise for early building delivery. Wanting to negotiate with Shaw, Erin recommended starting with a lower split. An amended motion authorizing staff to start at a 70% - 30% or lower split but not to go higher than a 65% - 35% split was approved unanimously. Staff will proceed as authorized.

#### **4. Development Update**

##### **A. Approval of Resolution No. 2008-11 Authorizing Payoff of Village Park Loan Using Capital Terrace Proceeds**

In a previous Board Meeting, GJHA Board Members agreed to earmark the Capital Terrace sale proceeds as recommended for certain developments. GJHA staff recommended that some of the Capital Terrace sale proceeds be used to pay off the outstanding Village Park land loan, thereby eliminating accruing loan interest. The Village Park loan is approximately \$940,000.

In response to Steve's question regarding if the U.S. Department of Housing and Urban Development (HUD) concurred with the use of these funds in this manner, Jody indicated that GJHA has received legal advice. Based on the readings of rules and prior conversations with HUD personnel regarding demo/dispo transactions, this is a reasonable and allowable use of the funds, and is consistent with GJHA's approved Demo/Dispo Application to HUD.

A chart distributed by Jody illustrated proposed GJHA development projects and showed options for reinvesting the Capital Terrace sale proceeds as earmarked, but not finally committed.

With discussion completed, Erin moved that *Resolution No. 2008-11 Authorizing Payoff of Village Park Loan Using Capital Terrace Proceeds* be approved. With a second by Teresa and a unanimous vote, the motion carried.

**5. Discuss Shaw Builders Incentive Regarding Construction Completion of Arbor Vista**

This Agenda Item was covered previously under *Agenda Item No. 4 – Development Update* and is found on page three of these Minutes.

**6. Presentation and Discussion of FYE 09/30/09 GJHA Annual Budget**

At the beginning of the FYE 09/30/09 GJHA Annual Budget presentation, Jody mentioned to Board Members that they wouldn't be asked to vote on adopting the Budget today because of a lack of adequate review time for Board Members.

Cheryl's presentation of Budget highlights included the following generalities as well as Program specifics:

- A Leasing Agent, a Supportive Services Supervisor, and a part-time Ratekin janitorial/maintenance position increased to a three-quarter-time position are proposed for staff additions.
- Baseline assumptions were acknowledged covering vacancy rates, salary increases, healthcare contributions for employees, utility cost increases, property insurance premium increases, and internal maintenance charge-out fees.
- **General Fund** transfers covering *Calling Mesa County Home* and *Bookcliff Squire* Programs were noted. Capital Expenditures included the rehab of office space for the Supportive Services staff and the purchases of a maintenance vehicle, a workstation, and a laptop. The Developer Fee Income planned for was identified and will be split 50/50 between the *General Fund* and *Acquisitions and Development*. Surplus cash flow transferred from Linden Pointe and Crystal Brook Townhomes were also identified.

- **Acquisitions and Development** transfer dollars from Capital Terrace Townhomes for the *Village Park* land mortgage pay-off were noted. Proposed Developer Fee Income from *Arbor Vista*, *Walnut Park* and *Bookcliff Squire* were also identified.
- **Houses** showed a transfer out to *Bookcliff Squire* to help with Operating Expenses.
- **Lincoln Apartments** showed a transfer out to *Bookcliff Squire* to assist with its Operating Expenses. Capital Expenditures included requests from the Replacement Reserve Account for a patio area and sealing the parking lot.
- **Bookcliff Squire** has a five-year mortgage; thus, principal and interest are being paid on its note. Operationally, this five-unit project needs additional funding to cover Operating Expenses so, as previously noted, certain GJHA Programs (*Lincoln*, *Houses*, and the *General Fund*) are contributing. The total project cost including the Developer Fee planned for this Budget Year is about \$864K. It was noted that with funds earmarked from the City and sale proceeds from Capital Terrace, funding of \$674K was still needed from unidentified sources.
  - Note: As a side note, Teresa suggested that, for City Council clarity, requested funding from the City in its next year's budget should be GJHA project specific rather than associated with housing strategy and partnerships. Jody told the group that current earmarked City funds were project specific; i.e. Walnut Park and Bookcliff Squire.
- **Ratekin Tower's** Administrative Expenses line item included funds to cover the Supportive Service's Coordinator's salary and a portion of the Supportive Service's Supervisor's salary. Capital Expenditures included Energy Audit recommendations and building/parking lot improvements.
- **Walnut Park's** budgeted construction activity for this fiscal year totals \$514K. Funding sources include the City, the Laundry Reserve Account, and the Residual Receipts Account.
- **Capital Terrace Townhomes** show the transfer of sale proceeds to *Village Park* and *Bookcliff Squire*. Jody noted that GJHA is still receiving declining operating money from HUD known as an Asset Repositioning Fee as well as prorated Capital Funds. At some point, HUD will clarify what Public Housing funds can be kept and how the funds can be used.

- Note: Jody stated she can foresee an unusual number of Budget Revisions this coming year based on projected construction activity and HUD's final decision on the amount of Asset Repositioning Fees that can be retained.
- **Housing Choice Vouchers** will help support the *Family Self-Sufficiency* and *Housing Advocate* Programs' administrative costs with the transfer of funds. The purchase of a vehicle is the Capital Expenditure.
- **Supportive Services' Programs** are fully funded with the exception of *Calling Mesa County Home* that has a shortfall of \$12K. The new staff person hired for this Program will be charged with finding additional funding to cover this balance.
  - In response to Erin's question regarding the status of this Program, Jody replied that no effort has been given to expand the Program until Board direction was received on whether to continue with the Program and hire a Coordinator. Having been directed by the Board to do so, recruitment for a Coordinator will begin shortly.
- The **Tenant-Based Rental Assistance (TBRA)** budget originally showed a deficit, but with additional funding provided by the Mesa County Department of Human Services (MCDHS), the Program is in good shape. Funding for two *Housing Advocate* positions plus this *TBRA* deficit is being provided by MCDHS this year.
  - As a side note, Teresa extended "kudos" to Lori for building an excellent GJHA relationship with MCDHS.

The **Housing Advocate** budget reflects a Capital Expenditure for a vehicle; covered with prior years' Reserves, and the **Downtown Housing Effort** budget shows a slight increase in the Management Fees.

Jody announced that this FY 2008/2009 Budget does not reflect results of the Johnson Controls Energy Audit on GJHA properties so expenditures for improvements can be expected, if Board approval is given. The Ratekin Tower Energy Audit has been accelerated due to current refinancing efforts and is expected in late August/September. Audit recommendations on other properties with pay-back options to finance improvements will be presented to the Board upon Energy Audit completion.

**7. Update on Ratekin Tower Refinance**

Referencing his August 25<sup>th</sup> Board memo, Andre' summarized the Ratekin Tower refinancing update. The property went through a financial restructuring under the Mark-to Market Program in 2003, which left the property with three mortgages. With the Colorado Housing and Finance Authority (CHFA) expressing interest in being the permanent lender for Ratekin Tower, offering a 2% - 25-year loan not to exceed \$2,250,000, replacing the first mortgage is being considered. Having completed an extensive package of information in order for CHFA to prepare underwriting and projections to support the loan, it is anticipated that CHFA will bring the package to its Loan Committee in September and then to HUD for its review and approval. Closing of the loan is expected in October/November if all goes as planned.

**8. Other Business**

*Doors 2 Success*

Because of the absence of Operations Director Lori Rosendahl, Erin will contact Lori direct pertaining to the status of the newly created non-profit entity, *Doors 2 Success*.

*Housing Colorado Sponsored Events*

While distributing the Agenda for the Housing Colorado Seminar, which will be held in Grand Junction September 10<sup>th</sup>, Jody stressed that the Seminar will focus around the Grand Valley Housing Strategy and encouraged Board attendance.

Flyers for the Annual Housing Colorado NOW! Conference in Breckenridge in mid-October were also handed out. Teresa and Jody will be workshop speakers, and the TBRA Next Step Program has been nominated to receive the Eagle Award.

*Grand Valley Housing Initiatives*

Cheryl reported on a meeting with the accountant for Grand Valley Housing Initiatives (GVHI), in preparation for the upcoming GJHA audit. GVHI is a component unit of the Agency's audit.

*“Thank You to Accounting Supervisor Cheryl Sweers”*

Jody and the Board extended a special “thank you” to Cheryl for her tremendous effort on the FY 2008/2009 Budget, noting that Budget documents are much easier to read and understand.

*Mesa County Department of Human Services Proposal*

Jody gave some startling statistics regarding the Temporary Assistance for Needy Families (TANF) Program, administered by MCDHS. She announced that at the Program’s “highest point” there were roughly 1500 families enrolled in the Program. Currently, and for a variety of reasons, only 75 families participate in TANF. With the existing economic ebb and flow situation, the TANF funds being received for client services aren’t currently needed so MCDHS would like to invest this money in the community.

Staff will be working on a concept to be presented to MCDHS in the near future.

*Executive Director’s Performance Review*

At Steve’s request, a special Board Meeting, to complete the Performance Review for the Executive Director, was scheduled for September 10<sup>th</sup> at 4:00 p.m. at the Housing Authority’s main office.

*Board Financial Tutorial and Finance Committee Meeting*

Dates will be considered for the next Board Financial Tutorial and Finance Committee Meeting and scheduled around Board Members’ availability.

**9. Adjourn**

With business completed, the regular August GJHA Board Meeting was adjourned at 1:12 p.m. with a motion from Teresa, a second from Erin, and a unanimous vote.