

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Meeting

Monday, December 8, 2008
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order

The "merged" November and December Board Meetings of the Grand Junction Housing Authority (GJHA) was called to order at 11:40 a.m. by Board Chair Steve Heinemann, with the following individuals in attendance: Board Members Teresa Coons, Erin Ginter, Patti Hoff, Tim Hudner, and Paul Marx; Staff Members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Operations Director Lori Rosendahl, Controller Cheryl Sweers, and Finance Director Andre' van Schaften.

2. Welcome and Introduction of New Board Member, Timothy Hudner

With a warm welcome extended to the newest Board Member, Tim Hudner, introductions were given by Meeting participants. WELCOME ABOARD, TIM!

3. Consent Calendar

With no additional questions asked or clarification needed, approval of the Consent Calendar, consisting of *Adoption of the October 27th Meeting Minutes*, *Adoption of Resolution No. 2008-16 Approving Section 8 Management Assessment Program (SEMAP) Certification*, and *Adoption of Resolution No. 2008-17 Approving an Exemption from Audit for Fiscal Year 2008 for the Downtown Housing Effort*, was given with a motion by Teresa, a second by Patti, and a unanimous vote.

4. Resolution No. 2008-18 Approving the Intergovernmental Cooperation Agreement and Memorandum of Understanding Between Moffat County and the Grand Junction Housing Authority

Upon informing the Board that the Agency has been asked by the Colorado Division of Housing (CDOH) to take over the administration of the State-administered Housing Choice Voucher Program in Moffat County, Colorado, Jody requested that Lori provide a status update.

Referencing her December 3rd Board memorandum (memo), Lori informed the group that she will be meeting with the Moffat County Commissioners on

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Tuesday, December 9th to seek their approval of the Intergovernmental Agreement (IGA). Agreement highlights included the following:

- Specific time frames for retaining the Vouchers in the community.
- County is obligated to provide GJHA with space to hold meetings and a place for Program participants to drop off documents.
- County is to provide support for the success of this Program in Moffat County.

Lori further mentioned that she and three of the Voucher Program staff will be in Moffat County this week doing client re-certifications; performing Housing Quality Standards (HQS) inspections; holding a Landlord Briefing to explain how the Program should be conducted; and holding classes so clients can be informed of Program rules.

Lori stressed that there is extensive upfront work to be done to correct previous administrative inaccuracies. Once the Program is running properly, however, it is estimated that only 10 hours per week will be required by GJHA staff to oversee and manage the Program.

Board Members expressed concern over the following topics: possible reassignment of Vouchers by CDOH to GJHA and the ramifications to Moffat County; would the audit of Moffat County reflect upon GJHA's Section 8 High Performer Status; and is there funding for initial assessment and start-up costs? Replying to the above concerns, Lori advised the Board that Voucher reassignments to GJHA would happen only through attrition; that any audit findings would only affect the State's audit status and would have no influence on GJHA's Audit; and that \$3,000, plus mileage reimbursement, has been authorized by CDOH to cover start-up costs. She also noted that GJHA will request additional start-up funding from CDOH once the initial field assessment/work is completed and a status report is submitted. Jody added that GJHA will receive a per-unit-leased Admin Fee from CDOH for managing the Vouchers.

Acknowledging that this IGA is with Moffat County only, it was noted that a separate Agreement will have to be written for Rio Blanco County for the towns of Rangley, Colorado and Craig, Colorado.

With no further questions, a motion approving *Resolution No. 2008-18 Authorizing the Grand Junction Housing Authority to Enter into an Intergovernmental Agreement with Moffat County, Colorado* was made by Teresa, seconded by Patti, and unanimously approved.

5. Discuss Requesting a Waiver to the Conflict of Interest Requirement from HUD

Lori addressed her December 3rd Board memo regarding the disclosure of a possible conflict of interest due to GJHA assuming management of the Moffat County Housing Choice Voucher Program. The CDOH advised that public disclosure be made to Board Members, addressing the fact that the Agency's Voucher Program Supervisor formerly had lived in Moffat County and still owns a rental property that is currently leased by a tenant with a Housing Choice Voucher. Upon assurance that the Client Voucher File will be kept confidential and in the office of the GJHA Operations Director with restricted access, permission was granted by the Board to allow GJHA's Voucher Program Supervisor to continue leaving this property in the Housing Choice Voucher Program. GJHA staff was instructed to request a waiver to the conflict of interest requirement from the U.S. Department of Housing & Urban Development (HUD) through CDOH. A motion stating such was made by Erin, seconded by Teresa, and approved with a unanimous vote.

6. Resolution No. 2008-19 Adopting Budgets for Calendar Year 2009 for Arbor Vista, Crystal Brook Townhomes, and Linden Pointe

In discussing the 2009 Budgets for the three Tax Credit Properties of Crystal Brook Townhomes, Linden Pointe, and Arbor Vista, Cheryl gave the following highlights:

- A net loss for all three properties is anticipated, primarily due to depreciation and accruing interest on soft loans.
- A positive cash flow is expected on all three properties.
- A 3% vacancy rate is anticipated at all three properties.
- Rents will increase at Crystal Brook and Linden Pointe.
- Linden Pointe Capital Expenditure items for landscaping, sidewalks and the computer lab were noted.

Board clarification was requested and given regarding the 2009 Budget change in recording the security deposits. In Budgets of previous years, forfeited monies from security deposits reduced the Repairs and Maintenance line item expense for Crystal Brook Townhomes and Linden Pointe. However, in order to better track Repairs and Maintenance costs in 2009, these forfeited security deposit monies will be recorded as revenues.

Erin expressed concern that the Linden Pointe Repairs and Maintenance line item was over budget. Lori stated that her investigation showed that there was a

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budgeting error at the beginning of the 2008 year with anticipated move outs – only half of the projected move outs were included in the Budget. The Repairs and Maintenance line item in the 2009 Budget has been increased to reflect a more accurate picture.

Lori went on to mention that Linden's annual turn-over rate is at 46%, which is much higher than desired. A tracking system has been implemented to document reasons for move-outs. Board Members were interested in having the data also show the vacating tenants' income level category and relocation demographics.

With further dialogue, Board Members expressed a desire for GJHA staff to track the reason and frequency of interior Work Orders plus the number of Work Orders for Linden Pointe versus other GJHA properties.

Lori mentioned that staff has a plan in place to reduce property turnovers. Customer service will be the first priority with verbal follow up on Work Orders for thoroughness and satisfaction. Lease renewal incentives are also being explored.

As a side note, Cheryl mentioned that the Audit for these three properties will be done in January, and she also reported that the Audit done in November on GJHA showed no findings. CONGRATULATIONS STAFF!

With discussion complete, *Resolution No. 2008-19 Adopting Operating Budgets for Calendar Year 2009 for Arbor Vista, Crystal Brook Townhomes, and Linden Pointe* was approved with a motion from Erin, a second from Patti, and a unanimous vote.

7. **Resolution No. 2008-20 Authorizing the Executive Director to Sign CHFA Loan Documents for the Ratekin Tower Refinance**

Reiterating that GJHA has been working for some time with the Colorado Housing and Finance Authority (CHFA) to refinance the first mortgage on Ratekin Tower, Andre' informed the Board, that CHFA's Loan Committee has just approved Ratekin's first mortgage refinance at a 2% interest rate for the next 25 years. Andre's memo dated December 8th discussed the following specifics:

- The mortgage amount, which included financing for energy improvements
- The annual interest expense savings
- The projected annual energy savings
- The annual operational savings

- The energy efficiency funding drawn from the Replacement Reserves and the Laundry Reserves, and net proceeds of the refinancing.

Jody advised that there would be a budget revision to the requested energy efficiency portion of the loan. With the concern Steve expressed at the last Board Meeting pertaining to the low-flow toilets, staff decided to remove the low-flow toilet component from the Renovation Program and to do some testing of the functionality of the low-flow toilet at Ratekin Tower Apartments. The previously distributed Preliminary Evaluation Worksheet was revised and redistributed, eliminating the low-flow toilet item. The revised reduced cost of the energy improvements is \$372,460 instead of \$433,344, a savings of \$60,884. Because of the extensive work already done on this transaction, CHFA doesn't want to downsize its loan by this amount, so this decrease will reduce the amount drawn out of the Laundry Reserve Account.

The approximating \$85,400 prepayment fee, due to Heartland Mortgage, will be assumed by CHFA. Closing costs, estimated to be between \$40K-\$50K, are for attorney time, a 1% origination fee to CHFA, and all other normal closing fees, and are proposed to be drawn from the Laundry Reserve Account.

Upon Board approval to move forward, dialogue will begin with HUD, requesting refinance approval. Based on prior experience with HUD on transactions of this type, CHFA is anticipating a March/April closing date.

With discussion complete, *Resolution No. 2008-20 Approving Ratekin Tower Apartments First Mortgage Refinancing* was approved with a motion by Erin, a second by Teresa, and a unanimous vote.

8. Discuss Proposed Recommendations Regarding the Revolving Loan Bad Debt Write-Offs

During last month's Board Meeting, extensive dialogue was held concerning the defaulted loaned security deposits associated with *Resolution No. 2008-14 Authorizing the Write-Off of Bad Debts*. Cheryl's memo dated December 5th outlined the evolution of the Security Deposit Program, starting in 2002 when families were unable to lease units due to the lack of a security deposit. A small portion of Admin Fees was earmarked for disabled families only for a Security Deposit Revolving Loan Fund. Because this pilot program was such a success, GJHA requested funding from the Department of Human Services and United Way to offer security deposit loans to other Voucher participants.

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Statistics charted in the memo showed the amount of funding received from both Agencies plus Admin monies from GJHA; the amounts loaned; received back; and written off, which represented a 71% payback rate and helped over 285 families.

Lori stressed that this Program has also improved GJHA's lease up rate and increased Admin Fees.

Teresa asked about the criteria used to determine eligibility for families to receive security deposit loans, to which Lori replied that the Admin Fees were used for disabled clients only, Family Unification Program (FUP) families received the Mesa County funds, and United Way funds were used for any eligible family in the regular Voucher Program.

Lori noted that extensive staff time has been spent recently in revamping the Agency's collection procedures for a better repayment policy, but cautioned that write offs will never disappear entirely.

Lori announced that in conjunction with Catholic Outreach and HomewardBound, GJHA will be requesting security deposit grant/monies through the Mesa County Department of Human Services' (MCDHS) Temporary Assistance for Needy Families (TANF) Program.

A Notice of Funding Availability (NOFA) has been released by HUD for FUP Vouchers. If MCDHS is still planning on using the TANF funds received for client services that aren't currently needed, then the Agency is planning on submitting a request for funding. GJHA plans to request 50 more Vouchers and MCDHS has agreed to support GJHA in this request.

Teresa mentioned that the Bridges Out of Poverty Survey results have been compiled and released, and suggested that a presentation might be given at a Board Meeting. Bridges Out of Poverty is a program directed at community outreach and deals with raising awareness of families coping with and rising up out of poverty. The Survey encompasses various family income levels and was done to help determine where the TANF funds might best be spent.

9. Development Update Including a Report on Arbor Vista's Welcoming Celebration

Arbor Vista

Reporting on the "Welcome Home" celebration at Arbor Vista, Don informed the group that the weather cooperated and the attendance was good with excellent media coverage.

Shaw Builders remains on schedule with three more buildings targeted for delivery on December 15th. A Certificate of Occupancy has been issued on one building at this time.

(Note: These three buildings did come on line as scheduled.)

Staff is still pushing to receive the \$450,000 from the Federal Home Loan Bank (FHLB) of San Francisco, as the FHLB/Bank of the West attorney is still reviewing documents. Unfortunately, it doesn't look like the funds will be received by the end of the year.

Requirements are being met for the release of the City of Grand Junction's grant funds in the amount of \$593,000. Fire suppression funds, included in this total in the amount of \$187,000, won't become available until the development is 100% complete, which is targeted for February of 2009.

The Board was informed of recent challenges being addressed with local U.S. Post Office (Post Office) officials regarding the Post Office's retroactive rejection of individual addresses for all buildings and units as proposed for Arbor Vista. The addresses were modeled after the Linden Pointe development but, due to a new Post Office automated mailing reader and its difficulty differentiating letters with numbers, all addresses had to be changed at the last minute, thereby creating numerous complications for staff, tenants, a utility company, etc. Issues are in the process of being resolved.

Village Park

Researching development options and financial feasibility is still ongoing.

Walnut Park and Bookcliff Squire

During the initial conceptual design process for Walnut Park, a northern boundary dispute of Bookcliff Avenue was discovered. A meeting is scheduled for Monday with City staff, the neighbor, and GJHA staff to work through this problem.

In addressing Erin's question regarding the delay in a final Architectural Services Contract with Blythe Design Group Co, Don noted that the Contract has been under review by the Agency's attorney. Changes have now been approved by all parties so it's anticipated the Contract will be signed shortly.

10. Discuss/Schedule Future Events

Agency Christmas Party

Board Members were requested to RSVP for the December 19th Christmas Party if they haven't already done so.

Annual Meeting

As per the Agency Bylaws, the GJHA's Annual Meeting is to be held in January. Reporting on accomplishments for the past year and outlining goals for the new year are highlighted in the presentation. Due to unavoidable delays, the 2007 Annual Meeting wasn't held until June 2008. With only limited new information to present for the remainder of 2008, Jody suggested that the Annual Meeting might be a good venue in which the Grand Valley Housing Strategy (Housing Strategy) could be introduced. A core team of local sponsors has worked diligently on this Housing Strategy that will be completed in January. She stressed that much of the findings and recommendations will have an impact on GJHA in the coming years.

With brief discussion on this idea and general consensus to retain January as the Annual Meeting month, the group was receptive to a Housing Strategy presentation. Jody will approach the Housing Strategy Steering Committee for thoughts on a January 26th preliminary presentation.

Board "Lunch and Learn" Training Proposal

The idea of offering orientation and training workshops to the Board as a "lunch and learn" gathering was proposed to Board Members for their input. With ever changing Programs plus two new Board Members, condensed training sessions on different Programs and topics might be helpful to new and experienced Board Members alike. The group welcomed the opportunity, deciding on quarterly workshops, and selected the second Friday of the appropriate month as the date.

The first "lunch and learn" is scheduled for January 9th at 11:30 a.m. in the main conference room and the Vouchers Program will be the topic.

11. Other Business

MCDHS Transitional Housing Proposal

The Agency has been working with the MCDHS on a proposal to purchase some apartments and provide transition housing for formerly homeless families, with unused TANF funding that MCDHS wants to invest in the community.

A preliminary planning meeting was held with Mesa County Administrator Jon Peacock, and preparation is underway for a Commissioners Meeting where the proposal will be presented and funding requested. It is anticipated that the meeting will take place before year end.

Jody informed the group that the CDOH may be able to match up to \$600K if Mesa County committed to being a funding partner in this venture.

Several properties have been looked at, with one in particular being considered.

Survey

With economic conditions changing, Teresa suggested that a consumer survey be conducted. Lori responded that a survey is part of the Agency's Plan and that one will be done for Voucher Holders and Tenants of GJHA properties.

12. Adjourn

With business complete, the December Board Meeting was adjourned at 12:55 p.m.

