

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Special Meeting

Monday, January 12, 2009
Housing Authority Offices
1011 North Tenth Street
Noon

1. **Call to Order**

A special Board Meeting of the Grand Junction Housing Authority (GJHA) was called to order by Board Chair Steve Heinemann on Monday, January 12, 2009 at 12:10 p.m. with the following individuals in attendance: Board Members Erin Ginter, Tim Hudner, Ora Lee, and Paul Marx; Staff Members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Operations Director Lori Rosendahl, and Controller Cheryl Sweers.

2. **Request Approval of Resolution No. 2009-01 Designating the Location for the Posting of the Notice of Meetings and Establishing a Meeting Schedule for 2009 for the Board of Commissioners of the Grand Junction Housing Authority**

Colorado State Statutes require the location for the posting of Board Meetings/Notices be identified and that the location be approved at the first Board Meeting of the year. *Resolution No. 2009-01 Designating the Location for the Posting of the Notice of Meetings and Establishing a Meeting Schedule for 2009 for the Board of Commissioners of the Grand Junction Housing Authority* was approved unanimously with a motion from Erin and a second by Paul.

3. **Discuss and Request Board Approval Regarding Arbor Vista Development Cash Flow Management Proposal, and Request Approval of Resolution No. 2009-02 Authorizing the Use of Capital Terrace Sale Proceeds to Invest in Arbor Vista FUP Units**

The primary purpose of this Meeting was to present and discuss an Arbor Vista Development cash flow management proposal.

Prior to the presentation, Jody reiterated that there aren't any project cost overruns, but that an imbalance of timing in receipt of grant and equity funds and expedited construction performance has caused a temporary cash flow shortage.

Referencing her previous memorandums (memos) of December 31st and January 9th, Jody outlined the four reasons for the cash shortage:

- Equity amount and timing
- Grants timing
- Construction loan cap calculation
- Construction expense timing

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In reviewing the previously distributed *Arbor Vista Spreadsheet Showing Cashflow to Finish*, Jody discussed the projected income sources and amounts versus the project costs, month by month beginning with December 2008 forward until project completion.

Addressing January's payment obligations, the distributed *First Amended and Restated Agreement of Limited Partnership - Exhibit A-3 Loans to the Project*, listing all loans to Arbor Vista, was reviewed by the group. Additional clarification of a couple of funding loan amounts was given by Jody.

Explaining that GJHA is nearing the cap on its \$9M Construction Loan line from the Bank of Colorado (BOC), Jody made two proposals; one to meet January's payment obligations through a combination of the receipt of Grand Junction City funds, receipt of the Federal Home Loan Bank (FHLB) of San Francisco funds and internal borrowing, and a second proposal to meet March's deficit by seeking an increase in the cap on the Construction Loan line.

The proposal to cover January's funding gap of \$191,020 is recapped below:

- The GJHA Sponsor Loan of \$123,407 would come from the proceeds of the Capital Terrace sale and become part of the permanent financing. In considering this option, the handout showing an *Update of Proposed Project Earmarkings of Capital Terrace Sale Proceeds* was reviewed, which prompted brief group discussion regarding topics including plans for a child care facility, U.S. Department of Housing and Urban Development (HUD) notification/reporting procedures on the use of Capital Terrace proceeds, and use of General Fund money.
- The balance of January's funding gap of \$67,613 could be borrowed from the Ratekin Tower General Fund Reserve (unrestricted funds) with a planned July pay back.

Jody made an additional proposal to meet the expected March pay gap by addressing a proposed \$461K increase to the \$9M capped BOC Construction Loan line. Presuming that the funds from the Enterprise Equity will be received in April and that the Colorado Housing and Finance Authority (CHFA) loan will close in July, Jody mentioned that in a preliminary meeting with the BOC, no major obstacles were anticipated with this loan increase/approval. It was also noted that written confirmation of funding receipt has been requested from both Enterprise and CHFA. Further discussion of the Enterprise Equity installments and receipt dates are recapped below:

- With receipt of the initial April Equity installment from Enterprise of \$1.3M, April's monthly obligations will be met and the principal amount of the BOC's Construction Loan will be reduced by \$1.2M. In May, the second Equity

Minutes (contd.)

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installment of approximately \$5M will be used to pay monthly obligations and pay down the Construction Loan. In July and September, respectively, the third and fourth Equity installments will be received.

- The group was made aware that the reason for the timing in Equity installments is to give GJHA time to perform required tasks such as the leasing of units, completion of Tax Credit Cost Certifications, and submission of tax forms.

With funding discussions complete and Board Members in agreement with the proposals, a motion by Erin and a second from Ora was unanimously approved authorizing the borrowing of \$461K from Bank of Colorado and adopting *Resolution No. 2009-02 Authorizing the Use of Capital Terrace Sale Proceeds to Invest in Arbor Vista FUP Units*.

Steve expressed his concern that Arbor Vista, identified as a workforce housing development, is home to more Voucher Holders than he anticipated. Noting that the majority of Voucher participants are working households, Lori mentioned that it is not uncommon for up to 50% of the tenants housed in GJHA properties to be Voucher Holders, because the lower rents fit the payment standards, whereas other private market units exceed the payment standard. Answers to Board questions regarding how many units are currently leased, how many units are available to lease, and how many units are leased to Voucher Holders will be provided to Board Members through updated statistics from Lori.

It was noted that 56 Arbor Vista units (7 buildings) have been released for lease-up with the remaining 16 units (2 buildings) scheduled for a February 2nd release.

Note: The last 2 buildings came on line as scheduled – February 2nd.

Clarification was given to the Board that, at this time, the Arbor Vista Family Unification Program (FUP) Vouchers are fully leased.

Explaining the term “awaiting lease up”, Lori defined the phrase as when a client has been approved for a unit, has given a move-out notice to their current landlord and is trying to accumulate security deposit money to move in. She stressed that accumulating the deposit money is a huge struggle for most clients, many of whom don’t succeed. Hoping to assist with that difficulty, GJHA recently partnered with HomewardBound of the Grand Valley and Grand Valley Catholic Outreach in requesting a Grant from the Mesa County Department of Human Services (MCDHS) for security deposit assistance. If funding is granted, referrals will be made to GJHA by both agencies and GJHA will administer the Program. The MCDHS funding comes from unused money for client services in its Temporary Aid to Needy Families (TANF) Program.

Lori also noted that a total of 47 responses were received from community organizations in answer to MCDHS's grant solicitation for the use of its unused TANAF funds. The County will be making funding decisions the end of January.

4. Other Business

Grant Application for Additional FUP Vouchers

GJHA staff is in the process of developing a Grant Application to HUD requesting an additional 50 FUP Vouchers. MCDHS has committed to funding an additional 1.5 full-time employees (FTEs) to assist with this additional workload, basing these employees at the Mesa County Workforce Center.

Board Lunch and Learn

The first in a series of condensed training sessions on various GJHA Programs and topics for Board Members was held on January 9th with three Board Members attending. Paul and Tim commended the staff on an excellent training session focused on the Vouchers Program. These "lunch and learn" training sessions will be held quarterly with the next one slated for the second Friday in April.

Annual Meeting

In lieu of the Colorado Governor's presence in Grand Junction on January 26th and the previously scheduled events, Jody proposed that GJHA's Annual Meeting, also scheduled for the 26th, be held as a evening presentation, thereby allowing Grand Junction City Council, Mesa County Commissioners, and community leaders more flexibility in attending the GJHA presentation. With the Board in agreement, the Annual Meeting will be held at Two Rivers Convention Center on January 26th, beginning at 7:00 p.m., with Anne Ricker of the Leland Consulting Group as a featured speaker, presenting initial findings of the Grand Valley Housing Strategy.

Complaint Procedure

Ora mentioned receiving a complaint against GJHA from a community member and asked for clarification on properly addressing these issues. Complaints should be directed to Executive Director Jody Kole or Operations Director Lori Rosendahl, who will deal with the issue internally if possible or refer the individual to the appropriate agency.

Introduction of GJHA to New Colorado Senators

Erin suggested that an informational packet might be given to the two new Colorado Senators, introducing the GJHA and informing them of its mission, goals, and accomplishments. Everyone was receptive to the idea and staff will begin to gather information.

It is hoped that GJHA representatives attending the 2009 NAHRO Legislative Conference in Washington, D.C. in March will be able to participate in scheduled congressional visits with representatives and staff.

5. Adjourn

With business concluded, the Meeting was adjourned at 12:58 p.m. with a motion from Erin, a second from Tim, and a unanimous vote.