

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Meeting

Monday, March 23, 2009
Housing Authority Offices
1011 North Tenth Street
11:00 a.m.

1. Call to Order

Vice Chair Erin Ginter called the regular March Grand Junction Housing Authority (GJHA) Board Meeting to order at 11:07 a.m. with the following individuals in attendance: Board Members Teresa Coons, Tim Huder, and Ora Lee; 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. Board Member Paul Marx joined the group later.

2. Consent Calendar

With no additional clarification needed, unanimous approval was given through a motion by Teresa and a second by Ora to adopt the Consent Calendar, consisting of *Adoption of Minutes of December 8, 2008, Adoption of Minutes of January 12, 2009, Adoption of Minutes of January 26, 2009, and Adoption of Resolution No. 2009-03 Authorizing the Write-Off of Bad Debts.*

3. Discuss Appointment of Additional Board Member to the Real Estate Committee

The departure of prior Board Member Kathleen Belgard created a vacancy on the Real Estate Committee. Drawing on Tim's real estate knowledge and experience, he was asked to join the Committee, and he accepted the assignment.

4. Real Estate Update

Paul Marx arrived at 11:09 a.m.

In preparation for the real estate update and development planning, Don distributed a packet of information consisting of cost estimates, design plans, property photographs, etc. to aid the group in discussions regarding the Bookcliff Squire redevelopment, the Walnut Park addition, the Bunting Transitional Housing proposal, and the application for the City of Grand Junction's Community Development Block Grant (CDBG) Funding.

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Bookcliff Squire Redevelopment

Weekly meetings are on-going with the architect, Blythe Design Group Co., (Blythe), focusing on the addition of fully compliant units for seniors under the American with Disabilities Act (ADA) at Bookcliff Squire. Three conceptual designs and cost estimates were presented for review, with Don explaining each alternate idea as follows:

1. Adding 9 additional units around the 5-unit existing structure for a total of 14 units.
2. Demolishing the existing 5-unit structure and building three 3-story buildings each housing 7 units for a total of 21 units arranged in an elongated concept.
3. Demolishing the existing 5-unit structure and building three 3-story buildings each housing 7 units for a total of 21 units arranged in a cluster effect.

Discussion topics included tenant relocation costs for current tenants, as well as existing tenant eligibility to move back to the new units should the decision be made to demolish the present structure, the community's need for affordable senior housing, density and zoning issues, expected maintenance costs and accessibility issues of the existing structure, and funding source potentials. Don recommended the existing structure be demolished due to probable maintenance problems and existing accessibility issues. Tim suggested the Economic Recovery Zone Bonds that will be coming out as part of the United States government's Stimulus Package might be a funding opportunity, and he will continue to research the eligibility of the Bonds.

Walnut Park Addition

The Walnut Park units were built prior to ADA laws in 1979 and the U.S. Department of Housing and Urban Development (HUD) will no longer grant GJHA a waiver to the ADA. GJHA retained an architect to assess the cost of renovating apartments at Walnut Park to comply with the ADA. The estimated cost of renovating these apartments approached the cost of new construction. Given the considerable amount of open space at Walnut Park, staff recommended construction of between 8-14 new ADA-compliant apartments on the property. Meeting weekly with Blythe produced a conceptual design that was presented to the group, illustrating the prospect of building 14 more units on the property as well as a cold-storage maintenance facility on the northeast corner, with 6 separate parking spaces for maintenance vehicles. Accompanying the design was Don's *Housing Feasibility Analyzer* document, showing an approximate amount of \$1.8MM for development costs. During a brief review of the figures, it was noted that some utility relocation would be necessary.

Upon Jody's request, Don further explained to the group the issue concerning the drainage easement that serves the Grand Valley Canal. The easement is a horizontal "H"

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shape and on the northern boundary of the property. Additional research has determined that the easement came after the GJHA buildings were constructed and is actually encroaching on some of the existing buildings. A Grand Junction City Engineer indicated, however, that if this easement is damaged during construction, GJHA would be liable for repair. Jody mentioned that if issues couldn't be resolved, the possibility exists that 2 units and the maintenance facility would have to be eliminated from the development plan resulting in having just a fenced-in maintenance yard area with the parking spaces.

Clarification of certain projects' development costs eligible for CDBG funds was given and further discussed by Don and Jody. Teresa mentioned that notification was given to the City of an additional allocation coming from the United States government's Stimulus Package.

2910 Bunting

GJHA has the opportunity to acquire the property at 2910 Bunting. GJHA has obtained a commitment for a \$600K challenge grant from Mesa County. There is urgency with this acquisition, as the County funding is from its Temporary Aid to Needy Families (TANF) Reserve Fund and the money will be recaptured if not spent by June 30th.

The Bunting property is a 27-unit apartment building, of which 12 units would be used for transitional housing, with referrals from Grand Valley Catholic Outreach (GVCO), HomewardBound of the Grand Valley (HBGV) and Latimer House.

Don briefly discussed the Bunting property pro forma prior to Lori announcing that in recent discussions with potential grant funders', they prefer having a 501(C) 3 entity involved. The application for GJHA's new 501(C) 3, *Doors 2 Success*, was submitted to the Internal Revenue Service (IRS) months ago but staff was recently informed that all applications in this review/approval process have been delayed due to an IRS 6-month backlog.

Jody distributed and reviewed with the group the *Funding Spreadsheet*, illustrating the proposed funding sources for the four development projects: 2910 Bunting, Ratekin Tower Refinance/Energy Update, Walnut Park addition, and Bookcliff Squire redevelopment. She noted that staff is proposing that funds set aside by the City for Village Park be reallocated for a partial match to the County's challenge grant for the Bunting property, if those City set-aside funds are still available. Teresa will research the set-aside funding availability.

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During the continued review of the *Funding Spreadsheet*, Jody reiterated that the Walnut Park project is the most feasible to move forward quickly. The project's loan financing component is not fully resolved yet as she explained possible funding theories. She also mentioned that Bookcliff Squire project reflected a significant gap in funding projections at this time.

Teresa Coons left the meeting at 11:50 a.m.

The Board consensus was to acquire the Bunting property, to proceed with acquiring the Walnut Park funding as illustrated on the *Funding Spreadsheet*, and to proceed with the design work for the Bookcliff Squire property.

A motion by Tim and a second by Paul passed unanimously authorizing GJHA staff to apply for CDBG Funds for Walnut Park. GJHA will submit its CDBG Application by the due date, March 25th.

Note: The GJHA CDBG Application was part of 14 submittals received by the City.

The hurdle is high for finding/acquiring financial development support as Don noted that funders' replies to GJHA's requests so far indicate no support for capital expenditures. Brief discussion ensued regarding contacting local foundations.

Arbor Vista

"Basically 100% complete!" are the words Don used when referring to Arbor Vista. Exterior punch-list items are being finalized, and the development will be fully leased by the end of March.

The two 1-bedroom ADA-compliant units were designed by Odell Architects with tub/handrails, etc. instead of a roll-in shower. Renovation was necessary, however, to accommodate the two wheelchair-bound tenants. The total cost for converting both units to roll-in showers was \$12,811.

With the exception of including the renovated shower costs, Arbor Vista numbers are reflecting a positive \$128,000 balance. Staff is currently working to supply to Enterprise all the required documents necessary to receive the first Equity investment installment of \$1.3MM due on or after April 1st with the scheduled receipt of the second installment of \$5.4MM following on or after May 1st. In addition, all the required documents are being

gathered to close the Colorado Housing and Finance Authority (CHFA) permanent loan in July and meet the tax credit allocation requirements.

Note: The first equity investment installment of \$1.3MM was received.

5. Schedule a Real Estate Committee Meeting

Due to the absence of two Board Real Estate Committee members, the scheduling of a real estate meeting was deferred.

6. Approval of Resolution No. 2009-04 Refusing ARRA Funds for Public Housing

In the United States government's Stimulus Bill, there is approximately \$3MMM allocated for public housing capital funding. GJHA sold its public housing units in December 2007. In an effort to distribute funds quickly, HUD is using an old funding formula to distribute these Stimulus funds. In order for GJHA to refuse the funding, for which GJHA is not eligible, HUD is requiring a letter and a Board Resolution stating such. Upon the distribution and review of Resolution No. 2009-04 Refusing ARRA Funds for Public Housing, the Resolution was adopted with a motion by Ora, a second by Paul, and a unanimous vote.

7. Other Business

Voucher Funding Issues

With the distribution of Lori's memorandum dated March 23rd, she gave a status update of the Voucher Program. In 2008, HUD funded agencies based on a formula that included consideration of quarterly financial and leasing data in the Voucher Program. Payment has yet to be made to adjust the funding allocations to housing agencies, based on the last two quarters of the fiscal year. Additional funding based on a pro-rata calculation for those two quarters will be distributed, but the timing is unclear. Anticipating this funding delay, the Voucher Program was under leased and under spent in the first two quarters of the 2008 Fiscal Year, resulting in the majority of the annual expenses occurring in the final two quarters of the fiscal year.

Until recently, Congress had not passed a budget for Fiscal Year 2009, resulting in all federal programs operating under a Continuing Resolution at 2007 levels. An Omnibus Bill was just passed that included funding for the Voucher Program. A significant delay is expected, however, in receiving funds as HUD works through the details.

Because GJHA has been frugal in past years, a healthy Net Restricted Assets (Reserves) Account has accumulated. Because of the under funding, the account has been utilized to cover the shortfall until the funding adjustment is received. With a recap of the figures, Lori stated that assistance from HUD to “front load” the 2009 funding and expedite the remaining 2008 funding has been requested.

NAHRO 2009 Legislative Conference

Jody reported that the NAHRO 2009 Legislative Conference was very worthwhile with the opportunity to do extensive networking. A huge advantage to housing authorities is the fact that the new HUD Secretary has hands-on experience running a housing authority and will understand the challenges faced.

GJ Chamber Video Conference with State Legislators

Each year during the Colorado Legislative Session, invited Grand Junction Chamber of Commerce staff/members participate in a video conference with state legislators every other week. Then later, during the same time that City staff is in Washington, D.C. attending the National League of Cities Convention, a link up is made together with our congressional delegation and the Grand Junction Chamber Legislative Committee. This year while in Washington, D.C., Jody was invited to join City Manager Laurie Kadrich and City Council Member Bruce Hill to participate in the Colorado video conference. Jody noted that prior to the video conference and interview of Representative John Salazar, they were fortunate enough to get some personal time with Representative Salazar.

Jody also visited with Susan Kirkpatrick, the Director of the Division of Local Affairs which oversees the Colorado Division of Housing. Informing Susan of several GJHA Programs, and in particular GJHA’s creation of the Next Step Program, caused great enthusiasm from Susan who then “bragged” about the GJHA Program to federal legislators.

United Way Allocation Panel

Board Members were invited to attend Supportive Services’ presentation to the United Way Allocation Panel tomorrow, March 24th at 3:00 p.m. Supportive Services and its Next Step and Family Self-Sufficiency Programs will be featured.

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Board Lunch and Learn

The tentative date for the second GJHA Board Lunch and Learn was cancelled with a reschedule date to be determined later.

Congratulations, Jody!

Congratulations to Jody who was just nominated and elected Vice President of the Housing Colorado Board of Directors. Acknowledging her efforts with praise, the Board and staff were informed that Jody is the first Western Slope representative to be on this Board and now has accepted this president-elect position.

8. Adjourn

With business complete, the regular March meeting was adjourned at 12:22 p.m. with a motion from Ora, a second from Paul, and a unanimous vote.