

## MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
Regular Meeting

Monday, April 27, 2009  
Housing Authority Offices  
1011 North Tenth Street  
11:30 a.m.

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### 1. Call to Order

The regular April Grand Junction Housing Authority (GJHA) Board Meeting was called to order at 11:30 a.m. by Board Chair Patti Hoff with a Board verbal roll call. The following individuals were in attendance: Board Members Steve Heinemann, Tim Hudner, and Paul Marx; Staff Members Voucher Program Supervisor Keith Antonson, Executive Assistant Kristine Franz, Development Director Don Hartman, Executive Director Jody Kole, and Financial Director Andre' van Schaften. Board Member Teresa Coons joined the group later.

### 2. Consent Calendar

The *Adoption of the Minutes of March 23, 2009*, was unanimously approved with a motion by Tim and a second by Steve.

Keith addressed Board questions pertaining to *Resolution No. 2009-05 Authorizing the Write-off of Bad Debts*. Explaining the figures, he noted that the \$8,475 write-off for Section 8 is a combination of \$3K+ in defaulted security deposit loans with the larger portion of \$5K+ for defaulted repayment agreements due to clients' failure to disclose income. Collection procedures with the collection agency are underway.

As a side note, Keith mentioned that there are 51 active client loan accounts, of which 32 repayment agreements are current and 19 accounts are 30-90 days past due. No new loans have been made since last quarter.

With questions answered, *Resolution No. 2009-05* was unanimously approved with a motion by Steve and a second by Paul.

Teresa Coons joined the Meeting at 11:40 a.m.

### 3. Presentation of Quarterly Financial Statements Ended March 31, 2009 for all GJHA Programs

The presentation of the Quarterly Financial Review ending March 31<sup>st</sup> for all GJHA Programs was given by Andre' with highlights listed below:

▪ Operating Statement

- Net Income was approximately \$1.5MM over budget.
- Total Operating Revenues were \$107,739 over budget and are a combination of two items offsetting each other: 1) receipt of grant income from the City of Grand Junction in the amount of \$593,300, which wasn't budgeted for in this time period; and 2) receipt and immediate transfer of the \$456,000 received from the Federal Home Loan Bank wasn't reflected in the Income Statement.
- Net Operating Expenses were over budget by \$186K, noting the major cause is the Housing Assistance Payments (HAP) line item being over budget by \$322,109.
  - Additional clarification was given that the 2009 adjustments to GJHA's funding level from the U.S. Department of Housing and Urban Development (HUD) hasn't been received. All Public Housing Authorities are being funded under a Continuing Resolution, with Voucher funding based on prior quarters' leasing. No new Vouchers have been issued since October, and GJHA has requested HUD "front-load" Voucher wire transfers once the 2009 approved funds become available. It is anticipated that notification of the 2009 funding level will be received in May. GJHA has net restricted assets that can be drawn upon as an interim measure.

Note: The 2009 funding notification was received from HUD on May 8<sup>th</sup> and will be discussed at the May Board Meeting.

In response to Paul's inquiry, the group was told that GJHA's basic Voucher allocation number is 910. Over the course of the year, the number fluctuates somewhat (currently at about 1% over) but will level out over the full calendar year.

▪ Summary of Cash Activity

- The Unreserved Allocated Cash General Fund continues to decrease primarily because development activity continues.
  - The majority of the May \$5.3MM Equity Payment from Enterprise will be used to pay down the construction loan at the Bank of Colorado (BOC), with a small portion going to GJHA for the Incentive

Developer Fee. The plan is to finish paying off the construction loan with the July Equity Payment. The balance of the Equity Payments will pay GJHA the non-deferred portions of its Developer Fee, thereby, replenishing the cash balance General Fund by fiscal year end.

- Cash Balances Other than Allocated Cash were reviewed noting that the Capital Terrace sale proceeds represent the largest amount.

In addressing Tim's question regarding where these cash funds are invested, Jody and Andre' advised that last year GJHA undertook a review of options to invest its idle funds, consistent with Government Investment Standards. Negotiations with BOC resulted in an increased interest earnings formula. GJHA agreed to maintain its banking accounts with BOC, consistent with its Banking Services Contract. It was noted that since the funds are governmental funds, GJHA also has the extra protection of the Public Depository Protection Act (PDPA).

- Combined Balance Sheet

- Reserved and Unreserved Allocated Cash decreased as previously discussed.
- Notes Receivable is increasing due to Arbor Vista activity.
- Mortgages/Note Payables increased due to the funds received from the Federal Home Loan Bank for the Affordable Housing Program.

With Tim's question concerning if the Valley's rent levels are softening due to the economic slow-down, Jody responded that rental vacancies are creeping up, but rent is only softening slightly. Rent reductions are being forecasted for a few months down the road.

**4. Presentation of Quarterly Financial Statements Ended March 31, 2009 for Crystal Brook Townhomes, Linden Pointe, and Arbor Vista**

Continuing with financials, Andre' spoke to the major points in the Quarterly Review ending March 31<sup>st</sup> for the three tax credit properties, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista.

- Operating Statements

- Linden Pointe vacancy losses are well below the forecast of 3% - actual is .6%.

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- Arbor Vista has a zero vacancy loss in the first quarter.
- Arbor Vista's over-budgeted variances for utilities, administrative expenses, and depreciation costs were explained.
- Balance Sheets
  - Notes Payable for Arbor Vista continues to increase as budgeted.
  - A revised Balance Sheet for Doors 2 Success was distributed. To assist in start-up costs of the Program, a loan from the Voucher Program was used to cover expenses prior to the receipt of the Department of Human Services (DHS) grant for Family Unification Program Tenant Services.
- Financial Indicators
  - In reviewing the Financial Indicators Sheet, Jody stated that in all properties, the Net Operating Income per unit per month is ahead of what was budgeted. She cautioned that, in the near future, there is a potential for a decrease, particularly in a couple of the tax credit properties, due to a softening rental market.

With Paul's request of wanting to visit GJHA properties, Jody advised the group that a Board Tour of the properties is usually conducted in the spring. A date will be established later in the Meeting.

#### **5. Approval of Resolution No. 2009-06 Appointing Individual to the Doors 2 Success Board**

The Doors 2 Success GJHA Board representative is Erin, who wasn't in attendance at today's' GJHA Board Meeting. On her behalf, Jody explained that a recent Doors Board Meeting, the decision had been made to invite a client representative to join the Board. Maya Corbin has been chosen as that individual. The Board of Doors 2 Success requests that Maya Corbin be appointed by the GJHA Board, for a one-year term. This appointment was approved with a motion by Teresa, a second by Steve, and a unanimous vote.

#### **6. Development Update**

Referencing the Development Update, Don focused on the following highlights:

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- Arbor Vista
  - Construction is 100% complete and 100% leased. Now that spring has arrived, the final site walk through can be completed and is scheduled for next week. Items such as asphalt repair and landscaping are on the punch list. Work continues on compliance with Enterprise to receive Equity installment payments.
  
- Bookcliff Squire
  - At the next Board Real Estate Committee Meeting, the conceptual design of Bookcliff Squire will need to be discussed.
  
- Walnut Park
  - Don met with the City of Grand Junction's Development Engineer and presented the conceptual design of 14 units plus a maintenance facility. A fallout of this meeting was the discovery that the property is served by only one fire hydrant each on the east and west ends of the property. Consequently, if interior property development is done, additional fire hydrants may have to be included. A meeting with the Grand Junction Fire Department has been scheduled to address this issue.
  
  - Great news was announced by Jody regarding the \$750K in funding that the City set aside in its 2008 Budget for Village Park and Bookcliff Squire developments at GJHA's request. Funding will be reprogrammed, allocating \$170K to the Walnut Park expansion and \$361K for the Bunting property acquisition. Based on this funding assignment, the \$350K requested from Grand Junction Community Development Block Grant (CDBG) funds will be decreased to \$100K. Staff remains hopeful but there is no guarantee on receiving funding.
  
- 2910 Bunting
  - GJHA is on target to purchase 2910 Bunting. A Phase I Environmental Assessment, activities including asbestos inspection, and GJHA inspection are underway as well as an appraisal. The structural engineering report has been received and confirms that the building is in good structural condition. There is a small concern that some mill tailings may be present on the south-west corner of the property. As a precautionary measure, the center of the property also will be tested, as that is the location where installation of a playground is being considered.

- Staff continues to research grant opportunities to fund property renovations, and to reduce the seller carry note. The Gates Foundation is very interested in transitional housing support but requires \$30K of local money from community support (non governmental) as well as 100% participation from GJHA Board Members. One funding commitment of \$1,000 as a challenge grant to be matched has been received. Energy efficiency grants will continue to be sought as well. There was limited discussion regarding in-kind donations. Application to the Gates Foundation is due in September.
- The funding earmarked by Mesa County Department of Human Services for the Bunting property is from the unspent Reserve Account of the Temporary Aid to Needy Families (TANF) Program. Having been told that another round of this allocation is scheduled and will be limited to three types of programs, housing being one of them, GJHA staff will have additional ideas ready for new ventures.
- Seven Single-Wide Mobile Homes
  - Jody informed the group that she was contacted by the Aspen Skiing Company inquiring about potential interest in purchasing seven single-wide mobile homes. The homes are new and were purchased for employee housing after a fire destroyed employee housing in Aspen about 18 months ago. These homes have been offered to GJHA for \$38K each, with no warranty. Discussion ensued regarding lot/land availability, revenue sources, and additional potential costs. Staff will assess the feasibility of this opportunity, and will report back to the Board.

## **7. Other Business**

### Scheduling Meetings

The Board Real Estate Committee consists of Patti, Steve, and Tim. Having a need for a meeting, the next one was scheduled for Friday, May 29<sup>th</sup> at 11:00 a.m.

With the regular May Board Meeting falling on the Memorial Day holiday, the Meeting will be moved to Tuesday, May 26<sup>th</sup> at 11:30 a.m.

The next Board Lunch and Learn workshop will be Friday, June 12<sup>th</sup> at noon. Topic requests were solicited with financing/budgeting selected for June's training.

Ratekin Tower Refinance

The Ratekin Tower Refinance closing is scheduled for May 27<sup>th</sup>. The contract with Johnson Control for the energy improvements is close to being finalized also. Jody stated that the interest rate is being reduced down from 4.78% to 2%. The term remains the same.

Grand Valley Housing Strategy

The Grand Valley Housing Strategy Steering Committee will present the analysis and recommendations of the Grand Valley Housing Strategy to county and municipal leaders April 30<sup>th</sup> from 7:30 a.m. – 9:30 a.m., to which Board Members were encouraged to attend. This is also concurrent with the Economic Development Council of Colorado's Annual Conference in Grand Junction and Jody will be speaking as a panel member about the economic impact of housing, with other members of the Housing Strategy Steering Committee.

Foreclosure Counseling

Brothers Redevelopment is one of the recipients of foreclosure counseling funding in the Denver Metro area. Amy Case, GJHA's Homeownership Counselor, has brokered a deal with Brothers to fund some foreclosure counseling in Grand Junction, with the first three out of four counseling levels conducted by GJHA. Foreclosure counseling and funding is being targeted with intensity due to the current economic times. Amy is working to build her credentials to regain GJHA's HUD-certified status that was lost with a gap in housing counselors. The Agency has been invited to submit an early application to be granted the certified status ahead of the one-year experience time frame so that when the 2009 Notice of Funding Availability (NOFA) is released, GJHA will be eligible to apply for and receive housing counseling grants.

A \$10K grant was just received from the Colorado Association of Realtors Housing Opportunity Foundation (CARHOF). Congratulations, Amy.

Downtown Catalyst Project

Jody reminded the group of prior discussions regarding the Downtown Catalyst Project and the partner organizations involved with this endeavor. The City has taken the lead on the three-block downtown Catalyst Project by sending out a Request for Proposals (RFP) for teams to facilitate the master planning of the three blocks. Approximately 35 proposals were received, and a shortlist of four teams will be interviewed May 19<sup>th</sup> with partner organizations participating. Jody will represent GJHA.

City Council Board Assignments

Teresa mentioned that new City Council Board Assignments will occur later this spring and the possibility exists that she won't be reassigned to the Housing Authority.

Other Business

Jody asked GJHA staff to step out of the room. Jody distributed information about a planned celebration for the early completion and lease-up of Arbor Vista on May 21<sup>st</sup>, at Linden Pointe. She outlined a proposal to grant one-time bonuses to GJHA staff members. The expenditure would be more than offset by the bonus Developer Fees earned via GJHA's strong performance, bringing the development on line ahead of schedule and under budget.

All Board Members present unanimously agreed with this proposal. The expenditure will be included in the mid-year Budget revisions presented to the Board in May.

**8. Adjourn**

On a motion by Tim and a second by Paul, the Meeting was adjourned at 1:00 p.m.