

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Meeting

Monday, August 24, 2009
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order

The regular August Grand Junction Housing Authority (GJHA) Board Meeting was called to order by Board Chair Patti Hoff at 11:39 a.m. with the following individuals in attendance: Board Members Teresa Coons, Erin Ginter, and Ora Lee; Staff Members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Operations Director Lori Rosendahl, and Finance Director Cheryl Sweers.

2. Consent Calendar

Approval of the Consent Calendar, consisting of the *Adoption of Minutes of July 27, 2009* and the *Adoption of Minutes of August 6, 2009*, was made by a motion from Teresa, a second from Erin, and a unanimous vote.

3. Presentation and Discussion of FYE 09/30/10 GJHA Annual Budget

Cheryl began the Fiscal Year End 09/30/10 GJHA Annual Budget presentation by covering highlights of the following four categories: development, personnel, properties, and supportive services/vouchers.

Development

Noting that development funding is scarce due to the current economic conditions, development for the coming year will be slower than originally anticipated.

- Village Park will be tabled, unless funding becomes available.
- The GJHA is partnering with several other entities in planning for the Downtown Catalyst Project.
- Options, including the possibility of homeless Veterans funding, are being explored for the Bookcliff Squire development.
- The addition of 12 units at Walnut Park will be funded using two outside sources, the Grand Junction Community Development Block Grant and the Grand Junction City Housing Initiative Fund, along with Agency resources from Walnut Park's Residual Receipt and Laundry Reserve Accounts, Capital Terrace Proceeds, and a loan from the Agency using funds from the Arbor Vista Incentive Developer Fee.

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Personnel

- A 2.5% salary increase is being budgeted across 39.25 full time employees (FTEs).
- With the Next Step/Tenant Based Rental Assistance Program (TBRA) coming to an end in April, one staff position may be reduced in the second half of the year.
- GJHA will continue to contribute \$325 monthly toward the cost of each employee's health insurance.

With additional health insurance cost questions posed by Board Members, Jody explained that the \$325 pays for most of the premium for a single individual, leaving the cost of additional family member coverage to the employee. It was also noted that the premium for each staff member is the same. In the past, 100% of the employee's premium was covered by the Agency, but due to rising premiums, a cap was established a few years ago at \$300 per month, and was increased last year to \$325. Cheryl will forward to Board Members additional information on GJHA's insurance plan choices and costs.

Ora asked questions regarding employee salary increases and bonuses. An employee may receive up to a 2.5% increase, which is determined by performance. A one-time bonus was approved by the Board and given to all employees acknowledging their efforts in the successful early completion of the Arbor Vista Development, which came in ahead of schedule and under budget. Jody stated that bonuses have been given only twice in the last 17 years, as approved by the Board, and each time was with the completion of a construction development that had an associated Incentive Developer Fee.

As the regular GJHA Board Meetings are always open to the public, the group was joined by another individual at 11:45 a.m.

Properties

- The decrease in market rate rents and an increase in vacancy rates are reflected in a conservative approach of budgeted rental rates and vacancy rates.
 - Addressing Ora's concern of higher vacancy rates, Lori explained that Tax Credit properties are for working families with a certain amount of income. Recently, these families can't qualify for these units or have difficulty continuing to afford their rents, due to reduced incomes because of the current economic down turn.
 - The GJHA Waiting List consists of over 1,700 families, with GJHA receiving approximately 187 applications per month.

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- Maintenance rates changed from a single rate of \$31/hour in 2009 to a two-tier rate of \$40/hour for maintenance repairs and \$25.50 for cleaning/janitorial.
 - With Ora's request for clarification of the tier rate, an explanation was provided by Cheryl.
- No anticipated savings from the energy rehab have been included in the budget. Energy audits will be conducted at most GJHA properties and GJHA will be seeking grants to help fund the rehab. No expenses or revenue have been included to implement any energy conservation measures at properties, other than Ratekin. Once the Energy Audit is complete, staff will bring a complete proposal and Budget Revision to the Board for consideration.
- Capital Expenditures for each property were listed on the individual budget page for Board Members' review.

Supportive Services/Vouchers

- The Next Step/TBRA program is anticipated to end in April of 2010.
- It is anticipated that the Moffat County and Rio Blanco Voucher Program will be turned over to Moffat County Housing Authority by year end.
- November 1st the GJHA will be receiving 35 Veterans Affairs Supportive Housing (VASH) Vouchers which will represent receipt of approximately \$2300/month for administrative fees.
- It is anticipated that the budgets for the many Supportive Services programs will be supported with yet to be identified grants as well as Community Service Block Grant (CSBG), Bridges Out of Poverty and the non-profit Doors 2 Success funds.
- Foreclosure counseling has been added to the Calling Mesa County Home program. This program continues to grow.

As the Baseline Assumptions for the 2010 Budget were reviewed, Cheryl addressed the following eight categories:

Vacancy Rate

- In reviewing the anticipated vacancy rates for Bookcliff Squire, Walnut Park, Ratekin Tower, Lincoln Apartments, the Bunting Property, and the houses, the vacancy rate spread was from 3.5% to 5.0%.

Payroll/Personnel

- Based on 39.25 FTEs, the total salary payroll, including a salary increase of 2.5% but excluding benefits, is \$1.5M.

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Transfers To/From

- Reviewing the chart, Cheryl identified funding from properties/programs that would be supporting other properties/programs.

Maintenance

- A split rate of \$40/hour for maintenance repairs and \$25.50/hour for janitorial services were identified.

Contract Rents

- Information regarding property rents, who pays utilities, and the U.S. Department of Housing and Urban Development (HUD) subsidies was provided on this chart.

Mortgage Payoff

- This table provided additional property information showing mortgage balances, maturity dates, etc.

Supportive Services Grants

- This chart showed the total amount of Supportive Services grants, split out by source – “Identified” and “Yet to be Identified”.

Management Fees

- This table showed the Management Fees for the properties. Most fees are based on a percentage of Operating Revenue, with most of the rates established by HUD.

The second portion of the presentation began with discussing the Combined Operating Budget Report and associated individual program backup. Cheryl mentioned that this Report represents a combination of everything except for Tax Credit Properties. All programs were independently reviewed. As a side note, she noted that 80% of GJHA's revenue comes from HUD, and reminded Board Members that the Voucher Reserve Funds will be depleted by the first part of 2010.

The group was given an update pertaining to the Downtown Housing Effort (DHE) and the Downtown Development Authority (DDA) by both Jody and Teresa. The DHE has a cash balance of approximately \$400,000 and is expected to be used on the Downtown Catalyst Project. Jody and Lori will meet on August 26th with the planning consultants who are working on the conceptual plan for the Catalyst Project to talk about senior and workforce housing. It is anticipated that the DDA Uplift, the over all Downtown Plan, the Catalyst Project, and the Residential Area Overlay will all be presented to the Grand Junction City Council on September 14th.

The Board and Jody complimented Cheryl on the budget work, specifically referencing the value of the highlights and budget sheet footnotes.

With no further questions, *Resolution No. 2009- 16 Adopting Consolidated Budget for Fiscal Year 2009-2010* was approved with a motion by Erin, a second by Ora and a unanimous vote.

4. Other Business

Denver Post Newspaper Article

In reference to an article in the *Denver Post* Newspaper recently regarding “stimulus money going to troubled housing authorities”, Jody stated that those housing authorities did not include GJHA.

GJHA Voucher Situation

Lori gave a follow-up explanation on how events might have contributed to the distressed scenario for the troubled housing authorities. At the beginning of the fiscal year, there were no unit vacancies so families weren't able to lease up. Vouchers were then over issued in hopes of generating some lease up activity. With the economic slow down, units became more readily available and more families than anticipated leased up using their Vouchers, causing higher expenses for the housing authorities. As the economic condition worsened, tenants' work hours were reduced, they were laid off, etc. forcing families to move out of the units, as they were unable to meet the rent obligations. Again, housing authorities' expenses increased unexpectedly. As per unit costs went up dramatically, forecasts showed that there wasn't enough funding to finish the year so it became necessary to send termination notices to a number of clients, which was reported by the media. With the stimulus funding, hopefully terminations won't be necessary.

With normal uncertainty looming over what HUD's 2010 funding level will be, there was a possibility that GJHA could have had a \$38K shortfall with no reserves on January 1st. In requesting assistance from HUD, GJHA was directed by HUD to use its reserves and

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not be concerned about the 2010 funding level. Because of this potential funding shortage, termination notices would have had to be sent to 80 GJHA families on November 1st, with an effective date of January 1st. Lori approached U.S. Congressman Salazar who, along with U.S. Senator Bennett, requested support through the office of The Deputy Assistant Director of Vouchers and Public Housing. As a result, GJHA was awarded \$125K in Administrative Funds that can be used for Housing Assistance Payments (HAP), thereby eliminating the potential funding shortage. Congratulations was extended to Lori by the Board and Jody for her determination, perseverance and good work. Upon Erin's suggestion and on behalf of the families that will be served, a thank you letter will be sent.

Daily Sentinel Newspaper Editorial

Jody distributed a copy of the August 25th *Daily Sentinel* Newspaper's editorial page, referencing Grand Junction City Manager Lori Kadrich's article where mention was made of the funding that the City has invested in the GJHA projects. A thank you will be sent to both the City and Mesa County for their continued support.

Budget Cuts

Ora referenced Colorado Governor Ritter's recommendation to close the nursing facility at the Grand Junction Regional Center, and asked if staff foresees any government budget cuts that would affect GJHA. Jody mentioned that the last time there was a major budget reduction at the State level, the "Loans and Grants" line item in the Colorado Division of Housing's budget was zeroed out. Currently this line item is holding steady at \$2.1M. Brief discussion continued regarding other possible cut backs due to the economy.

Grand Valley Housing Initiatives

Upon receiving a telephone call last week from the Grand Valley Housing Initiatives (GVHI) Board President Veronica Moore, Jody made the announcement that the GVHI Board has voted to close its doors and would like to turn over administration of the 501C3 entity to the Housing Authority. Jody agreed to accept this responsibility, and asked for complete financial records, information regarding outstanding obligations, status of grant reporting, etc. Information should be received next week.

Foreclosure Counseling

GJHA is planning for another large foreclosure counseling workshop, utilizing the help of certified counselors from Adams County Housing Authority. With referrals from

Housing Resources being accepted, GJHA is anticipating 70 or more attendees. Individual counseling will also be provided for those requesting that specific attention.

Note: This workshop has been scheduled for November 21st at the Canyon View Vineyard Church from 10:00 a.m. – 2:00 p.m.

Section Eight Management Assessment Program

Addressing Ora's question regarding the Section Eight Management Assessment (SEMAP) scoring timeframe, Lori responded that work on the Report will begin in September with finalization due in November.

Board Lunch and Learn Workshop

The next Board Lunch and Learn workshop topic will address Low Income Housing Tax Credits. It was decided to postpone the scheduling of this workshop until more Board Members are present to check their availability.

5. Adjourn

With business complete, the regular August Board Meeting was adjourned at 12:25 p.m. with a motion by Ora, a second from Teresa, and a unanimous vote.

