

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Meeting

Monday, April 26, 2010
1011 N. 10th Street
11:30 a.m.

1. Call to Order

With Board Members and Staff in attendance, the Grand Junction Housing Authority's (GJHA) regular April Board Meeting was called to order at 11:33 a.m. by Board Chair Tim Hudner. The following individuals were present: Board Members Steve Heinemann, Patti Hoff, Ora Lee, and Paul Marx; Staff Members Executive Director Jody Kole, Vouchers Program Supervisor Keith Antonson, Executive Assistant Kristine Franz, Property Management Supervisor Virginia Garcia, Property Maintenance Supervisor Walter Garcia, Development Director Don Hartman, Operations Director Lori Rosendahl, and Finance Director Cheryl Sweers. Mr. Fritz Diether, with Frostbusters and Coolth Co., was also in attendance as a guest.

2. Consent Calendar

The Consent Calendar, consisting of the *Adoption of Minutes of March 22, 2010*, and *Approval of Resolution No. 2010-05 Authorizing GJHA Staff to Write-off Routine Bad Debts*, was approved as presented with a motion by Paul, a second by Patti, and a unanimous vote.

3. Review Bid Responses for Energy Efficiency Upgrades at the Bunting Property and Request Board Approval of a Contract Amount – Presentation by Don Hartman

Early in 2009, a grant was submitted to Energy Outreach Colorado (EOC) seeking funds for energy efficiency upgrades for the Bunting property. As part of the Grant Application, an energy audit was completed and notification of the Grant Award was received but without any specific dollar amount. A second energy audit had to be performed in order for the EOC Grant to be quantified. Mr. Fritz Diether, of Frostbusters and Coolth Co., was contracted by EOC to complete the second energy audit.

Fritz Diether was also hired by the GJHA as a consultant to develop the Construction Invitation for Bid for the Bunting Avenue energy efficiency upgrades, and with an introduction, Don explained that Fritz was in attendance to answer any questions regarding this process.

While distributing three separate documents, *Energy Efficient Measures, Bunting Property Submitted Estimates to Date Actuals Comparison*, and a *Board Memo from Don Hartman dated April 21, 2010 Regarding Bunting Avenue Energy Efficiency*

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Upgrades/Contract Approval, Don reminded the group that EOC has a contract with the Governor's Energy Office (GEO) to use American Recovery and Reinvestment Act (ARRA) funds for the energy weatherization program. He also stated that Mr. Jonathan Luke (Luke) Ilderton is the new Project Manager for EOC and is GJHA's contact regarding the grant work on the Bunting property. The group was informed that Luke will be meeting with the GEO staff in the near future to propose and hopefully receive a committed funding dollar amount for the Bunting Avenue project.

In reviewing the Bunting property document entitled *Energy Efficient Measures*, Don outlined the estimated project costs. The project total of \$105,140.76 represents \$78,910.00 requested from EOC for grant funding for the weatherization, leaving \$26,230.76 as GJHA's contribution. Further explanation clarified that because EOC will only allow \$13,290.00 towards the projected cost in replacing the existing windows with low-E, argon filled thermal pane windows, the shortfall becomes GJHA's responsibility. Don emphasized that only estimated project costs were presented since EOC's funding approval depends on its energy model calculations showing the "savings to investment ratio", and assured the Board that every effort will be made to improve the GJHA financial picture as much as is possible.

It was noted that the following items were included in the Bid Invitation but were not approved and not included in EOC's cost of \$78,910.00:

1. The installation of hard-wired smoke detectors with carbon monoxide detectors.
2. Repair of all plumbing leaks and faucets (to control any water infiltration down into the crawl space that would affect insulation).
3. A portion of the window replacement cost.
4. Air seal the floor penetration from the crawl space (eliminating any air penetration).
5. Air seal the living area of all units as well as perform a blower-door test to check the air seal.

Board questions concerning carbon monoxide detectors and the possibility of separate contracts for each bid item were addressed and clarified.

Because all work must be completed, inspected, and approved prior to June 1, 2010 as per the EOC Grant guidelines, time is crucial. Therefore, authorization to accept the Grant and sign Grant documents as well as enter into a Contract with EOC was requested.

Patti's motion to approve both the Grant Contract and the expenditure of up to \$105,140.76 was seconded by Ora and unanimously approved.

Fritz Diether left the Meeting at 11:58 a.m.

4. Request Approval of Resolution No. 2010-06 for the Walnut Park Refinance

Addressing her Board Memorandum (memo) dated April 19, 2010, Cheryl stated that the Walnut Park refinance recommendation outlined in the referenced memo has since changed due to a U.S. Department of Housing and Development (HUD) delay, and asked that Jody continue with the explanation.

With a brief review, Jody reminded the group that over two years of planning has taken place with Board Members, Staff, and HUD personnel pertaining to adding 12 Americans with Disabilities Act (ADA) accessible dwelling units at Walnut Park. Just within the last few days, HUD staff forwarded a formal Notice that lists regulations that have to be met in order to prepay a mortgage and take the dwelling units out of subsidy. As taking the units out of subsidy has never been the intent of the Housing Authority, on-going conversations are being held with HUD personnel addressing the fact that this Notice should not apply to Walnut Park's redevelopment project.

The Construction Contract was awarded to Shaw Builders (Shaw) on March 22, 2010, prior to the recent HUD challenges. The Notice requires that prior to any refinancing, the owner of the property must provide a very specifically-worded notice to tenants, a minimum of 150 days in advance. Although GJHA Staff has been in frequent communication with Walnut Park residents over the past year, Staff was not aware of this specific Notice requirement.

This newly discovered Notice requirement has the potential to delay construction, and increase the development costs. Rather than lose the favorable bid terms received for this construction project, Jody recommended seeking a bridge loan from Bank of Colorado or asking if Bank of Colorado would hold its loan commitment for the Walnut Park Apartments refinance until the 150-day notice requirement had been satisfied.

With the distribution of an amended *Resolution No. 2010-06 Approving Walnut Park Apartments Loan Refinance*, the Board was asked to consider adoption of this Resolution which would authorize a loan secured by a Deed of Trust against Walnut Park Apartments and to use the proceeds to pay off the loan secured by the existing Deed of Trust held by CHFA and to construct an additional 12 accessible units at Walnut Park Apartments.

Upon review and brief discussion, a motion was made by Paul for adoption of *Resolution No. 2010-06*. With a second by Patti and a unanimous vote, the motion carried.

Jody will keep Board Members apprised of progress made with HUD regarding the regulation ruling. Should a final HUD ruling determine that this specific Notice does apply, a waiver will be requested.

5. Presentation of Financial Dashboard – Presentation by Cheryl Sweers

With the goal of providing the Board with appropriate decision-making information in a condensed but easy to read format, the GJHA financial statements were presented for the first time in Summary Dashboard Reports. The Dashboard Reports included Balance Sheet/Income Statement information and Key Performance Indicators. Prior to the review, Cheryl highlighted the Glossary of Terms that will be helpful for future reference, explained how benchmarks were reached and what benchmark source was used, and mentioned that a Green Indicator Status Symbol on the individual program Summary Dashboard Reports represented the program is in an acceptable or favorable position.

All GJHA Programs were individually reviewed, with the Summary Dashboard Report Discussion and/or Explanation/Information topics addressed. Group discussion included what an acceptable level of variance would be to still maintain the Green Indicator Status Symbol.

Board Members were pleased with this Summary Dashboard Reporting method and “kudos” were extended to Cheryl for her extensive work.

6. Presentation and Formal Acceptance of the Linden Pointe, LLLP; Arbor Vista, LLLP; and Crystal Brook, LLLP Audits for Year Ending December 31, 2009 – Presentation by Cheryl Sweers

In seeking acceptance of the audited financial statements for Crystal Brook, LLLP; Linden Pointe, LLLP, and Arbor Vista, LLLP for Year Ending December 31, 2009, Cheryl stated that all three entities received an unqualified opinion, which means that the financial statements present fairly, in all material respects, the financial position of all three Tax Credit Properties.

She mentioned that the Arbor Vista Audit might be revised due to a mathematical error due to the cash flow and the Balance Sheet not in agreement.

With a motion by Patti to accept the Audits and a second by Steve, the motion was approved with a unanimous vote.

7. Presentation of Work Plans/Tracking Matrixes Pertaining to GJHA Board/Staff Goals

As a follow-up from the March Board/Staff Retreat, distribution was made of the first Goals Statement, recapping the 18-month short-term goals established at the

Retreat. Staff plans to distribute this document to the Board every other month for progress tracking and accountability. Board Members were ask to contact Jody if, after closer review, there were questions/comments/suggestions.

8. Discussion of Board Succession Planning

With the approaching term-limit completion for two Board Members, Tim suggested the Board determine the skill set needed to compliment the remaining Board Members' experience, and then take the opportunity to encourage community individuals who possess those skills to apply for the upcoming Board positions. It was also suggested that a letter be sent to the Grand Junction City Council identifying the desired skill set so Council Members would be aware of the needed expertise during the interview process. People who possess a background in real estate, development/construction, and finance were considered particularly valuable.

Doors 2 Success Board Members who, if any, might be interested in applying for the GJHA Board vacancies will be invited to attend a GJHA Board Meeting.

9. Other Business

Colorado NAHRO Attendees

Jody announced that several staff members will be attending the Colorado NAHRO Conference in Pueblo in May. Jody will be a Conference Speaker and two staff members, Julie Williams and Keith Antonson, will be Workshop Presenters.

Final Resident Advisory Board Meetings for the Year

Lori noted that the final two Resident Advisory Board (RAB) Meetings for the year are scheduled for Thursday, April 29th and May 6th. The RAB has been very active this year in the review process of the GJHA Agency Plan, which will be presented to the GJHA Board for approval at the Public Hearing held on June 28th.

Interested Reading Items

At Paul's request, Jody gave clarification on two Interested Reading Items, the *Preliminary Analyses on Proposition 101 and Proposed Amendment 61* and the *Foreclosure Prevention Workshop*, that were included in the Board Packet as "for your information (FYI)" material.

10. Adjourn

The regular April GJHA Board Meeting was adjourned at 12:40 p.m. with a motion by Ora, a second by Patti, and a unanimous vote.

