

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Meeting

August 23, 2010
1011 N. 10th Street
11:30 a.m.

1. **Call to Order**

Board Chair Tim Hudner called the Grand Junction Housing Authority's (GJHA) regular August Board Meeting to order at 11:34 a.m. at the Agency's main office building on August 23rd with the following individuals in attendance: Board Members Teresa Coons, Erin Ginter, Steve Heinemann, Ora Lee, and Paul Marx; Staff Members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Operations Director Lori Rosendahl, and Finance Director Cheryl Sweers. GJHA attorney Rich Krohn joined the Meeting later.

2. **Consent Calendar**

The Consent Calendar was approved unanimously with a motion by Ora and a second by Steve. Items on the Consent Calendar included: *Adoption of Minutes of July 26, 2010 Workshop; Adoption of Minutes of July 26, 2010; Adoption of Resolution No. 2010-09 Approving Walnut Park Apartments Loan Refinance, and Authorization of Staff to Execute Contracts for Bunting Avenue Apartments Bid for Site Plan Improvements and Playground.*

3. **Adoption of Resolution No. 2010-10 Authorizing the Expenditure of Public Housing Funds to Retire the Existing Mortgage Balance (not to Exceed \$215,000) at the GJHA Office and Designate the Building a Voucher Services Center**

Lori referenced her August 19th Board memo which stated that as a condition of the U.S. Department of Housing and Urban Development's (HUD) approval of the disposition of GJHA's Public Housing units (Capital Terrace Townhomes) in December of 2007, some of the proceeds must be invested in a "Voucher Services Center" and available for use by Voucher-holder households participating in GJHA's Program.

Lori also explained that HUD regulations require that the proportion of the sale proceeds used in a project not exceed the proportion of that project that serves Voucher-holder households.

With the plan to purchase a new office building and relocate GJHA Administrative Staff, Staff sought authorization to retire the mortgage at GJHA's main office building and convert the building into a Voucher Services Center.

Board questions were addressed which included an inquiry by Tim wondering if is there a formal sign off needed from HUD on the expenditure to which the answer was no - when HUD gave its approval HUD stated what GJHA would do with the funds; Teresa requested clarification that funds don't have to be spent on Vouchers but in support of Vouchers holders to which the answer was yes; and Tim's question regarding if HUD were to challenge how the funds were invested, when and how would that occur was answered that it would occur at audit time or when quarterly reports were submitted.

With no further questions, a motion was made by Teresa and seconded by Ora to adopt *Resolution No. 2010-10 Authorizing the Expenditure of Public Housing Funds to Retire the Existing Mortgage Balance (not to Exceed \$215,000) at the GJHA Office and Designate the Building a Voucher Services Center*. The motion carried with a unanimous vote.

4. Discuss Potential Impacts on GJHA of 2010 State Ballot Initiatives: Amendments 60 & 61 and Proposition 101, and Approve Resolution No. 2010-11 Opposing Amendments 60 and 61 and Proposition 101

In discussing the potential impacts if the 2010 State Ballot Initiatives - Amendments 60 & 61 and Proposition 101 are adopted by the voters in November, Jody stressed there will be significant impacts to all levels of government, including GJHA. The Agency will be forced to begin paying property taxes on all its real estate. The current estimate of GJHA property taxes that would have to be paid is \$365K per year, across all Programs. Additionally, GJHA would not be able to borrow funds except through a bond issue approved by voters on a November ballot, the term of which does not exceed ten years.

Group dialogue ensued covering the following topics: names of local businesses and organizations opposing these Initiatives were shared; effective dates of changes if Initiatives pass were noted; it was agreed that it's best to be proactive and prepared should Initiatives pass; it was noted that several organizations are moving projects forward rather than delaying them and are also structuring upcoming budgets in anticipation of Initiatives passage; cities' tax burden versus customer-increased fee burden for certain city-provided services were explained; dates were given of Grand Junction informative presentations by Housing Colorado and Mr. Les Reeves of Club 20 covering impacts to non-profit organizations with Initiatives passage; and a suggestion was made that proponents/opponents place on the Internet U Tube and Facebook "info clips" on impacts of Initiatives' passage, to "reach the masses" more efficiently and effectively.

With no further discussion, *Resolution No. 2010-11 Opposing Amendments 60 and 61 and Proposition 101* was adopted by the Board with a motion by Steve, a second by Paul, and a unanimous vote.

Jody proposed and received approval to put Resolution No. 2010-11 on the GJHA web site. Legal guidance is currently being sought regarding this posting.

5. Presentation and Discussion of FYE 09/30/11 GJHA Annual Budget, and Request Approval of Resolution No. 2010-12 Adopting Consolidated Budget for Fiscal Year 2010-2011

Noting the prior distribution of the Annual Budget for Fiscal Year (FY) 2010-2011 to Board Members for review, Cheryl circulated a Comparison Sheet of the FY 2010 and FY 2011 Budgets, which aided in a smooth and uncomplicated review process.

The following Budget line items on the Comparison Sheet were highlighted by Cheryl during the review noting that the Budget will remain relatively flat compared to 2010, with the exception of Development, which will decrease and the Calling Mesa County Home Program, which is expected to grow considerably.

Revenue – Rental Income

- HUD-Subsidized Property up 5%.
- Non-Subsidized Property down due to lack of revenue from houses.

Non-Rental Income

- Housing Assistant Payment (HAP) Income increased because the Tenant-Based Rental Assistance Program was only budgeted for 6 months in FY 2010 in anticipation of discontinued funding.
- Vouchers Income increased about 14% due to additional Veterans Affairs Supportive Housing (VASH) Vouchers.
- Grant Income increased significantly due to various grants for the Bunting Property, Walnut Park, and Supportive Services.
- Other Income increased primarily due to Vouchers Admin money.

Operating Expenses

- Compensation increased due to an allowance for a 3% salary increase; the addition of two staff positions (Compliance Coordinator and Calling Mesa County Home Foreclosure Counselor); and the reduction of the Special Projects Coordinator to part time. Lori briefed the group on the responsibilities of the new Compliance Coordinator position.
- Repairs and Maintenance was increased by 3%.
- HAP Expense increased due to HAP Income.

Non-Operating Inc./(Exp.)

- Depreciation/Amortization increase is due to the addition of 12 units at Walnut Park.

Capital Expenditures, Debts & Other

- Land/Bldg. Improvements increase is because of Walnut Park construction and Bunting site improvements.

Adjustments to Net Cash Flow

- Replacement Reserve Draws decrease is due to Walnut Park construction.

Additional Topics

Cheryl noted that Budget figures also include plans to pay off the mortgage on 2817 ½ Elm (Arbor Vista house) in anticipation of rezoning the property for use as a maintenance facility.

Erin's question regarding when property taxes would have to be paid if the Ballot Initiatives pass was addressed by Jody who said it is her understanding that taxes will begin to be assessed next year and due and payable the following year. Tim's question regarding would there be any areas of the Budget that would be impacted by payments due with the passage of the Initiatives was also addressed by Jody who stated there should be no property tax impact in the 2010-2011 Fiscal Year.

In discussing GJHA's plan to pay down the Bookcliff Squire debt, Jody briefed the group on another possible impact to the Agency if the Initiatives pass. Along with the previously discussed changes, is the inability to use "interfund" loans within an organization. Subject to legal interpretation, the ramifications to GJHA are unclear at this time. Upon brief discussion, the group was in agreement for Jody to contact advisors at the Colorado Municipal League (CML) organization for their interpretation and possible counsel.

In reply to Tim's question addressing what would make these Budget figures look different, Jody identified several areas. Funding from the Mesa County Department of Human Services for the Supportive Services' Housing Advocate positions could be eliminated, and without the guidance of the Housing Advocates, some families would most likely drop out of the Program. Until these Vouchers could be filled, less Administrative (Admin) Fee Revenue would be received from HUD, as the Admin Fee is calculated based on the number of Households leased. The lack of awarded Community Development Block Grant (CDBG) funding would also impact proposed improvements. If the Ballot Initiatives pass, rents at certain properties would have to be increased to help cover the property taxes due and payable in 2012, which could cause potential vacancies. Other properties such as Ratekin Tower and Walnut Park have rent levels fixed by HUD and could not implement rent increases as a result of the Ballot Initiatives.

Board accolades were extended to GJHA staff for an efficient budget review process and a projected positive FY 2010-2011 Budget. With a motion by Teresa, a second by Steve, and a unanimous vote, *Resolution No. 2010-12 Adopting the Consolidated Budget for Fiscal Year 2010-2011* was passed.

6. Other Business

A. Board Succession Planning

Tim informed Board Members of receipt of a letter from the Grand Junction City Clerk's Office advising of the two upcoming Board position vacancies and requesting Board input regarding desired skill sets and expertise. The group decided that backgrounds in the following three areas would be beneficial: banking / finance / accounting; real estate / development; and social services. Tim will send a letter to the City Clerk prior to the September 1st deadline.

7. Roll Call Vote to Move into Executive Session to Discuss Real Estate Transaction – Specifically Potential Acquisition of New Office Space – C.R.S. 24-6-402(4)(a)

With a roll call vote, the group moved into Executive Session at 12:14 p.m. to discuss a real estate transaction – specifically potential acquisition of new office space.

Kristine Franz left the Meeting prior to the Executive Session and GJHA attorney Rich Krohn joined the Executive Session at 12:27 p.m.

8. Roll Call Vote to Move out of Executive Session and Return to Open Meeting

The group moved out of Executive Session and returned to the open Meeting at 12:53 p.m. with a motion by Teresa, a second by Tim, and a unanimous roll call vote.

A special Board Executive Session was scheduled for 9:00 a.m. on Friday, August 27th with a motion by Teresa, a second by Paul, and a unanimous vote.

9. Adjourn

The regular August Board Meeting was adjourned at 12:55 p.m.