

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular July Meeting

Monday, July 25, 2011
1011 North 10th Street
11:30 a.m.

1. Call to Order

The regular July Grand Junction Housing Authority (GJHA) Board Meeting was called to order by Board Chair Tim Hudner at 11:30 a.m. with the following individuals present: Board Members Teresa Coons, Patti Hoff, Paul Marx, Chuck McDaniel, and Chris Mueller; and Staff Members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Director of Operations Lori Rosendahl, and Finance Director Cheryl Sweers.

2. Consent Calendar

With a motion by Teresa, a second by Paul and a unanimous vote, the Consent Calendar, which consisted of *Minutes for three Board Meetings of May 23, 2011, June 27, 2011, and July 5, 2011*, was adopted.

3. Dashboard Presentation of Quarterly Financial Statements Ended June 31, 2011 for all GJHA Programs, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista

With the prior distribution and Board review of the Summary Dashboard Reports for Grand Junction Housing Authority and Tax Credit Properties for the Quarter Ending June 30, 2011, a brief financial recap was given by Cheryl.

Programs/properties showing negative key performance indicators were addressed and included the following:

Walnut Park American with Disabilities Act (ADA) Units

- Negative indicators relating to cash and debt coverage ratio are the result of having a mortgage before units were available and occupied. The vacancy loss was a result of timing between when units received a Certificate of Occupancy and when units were filled.

Tenant Based Rental Assistance (TBRA)

- A receivable from the Division of Housing (DOH) for rent assistance, a payable to the General Fund, and negative cash explains these negative indicators. Tenant Based Rental Assistance (TBRA) has negative cash and a payable to the General Fund because of a delay in receiving cash from DOH for rent assistance. The receivable from DOH more than affects the negative cash and the payable to the General Fund.

Monument Business Center (MBC)

- Vacancies and higher than expected janitorial costs explain the negative indicators.

In response to Tim's question regarding is there anything else we can do, Jody informed the group that additional marketing efforts are underway including advertising in a local publication, *The Business Times*. Daily ads continue in the local newspaper, *The Daily Sentinel*, and energy usage/costs are under review for possible efficiency readjustments. It was acknowledged that the current building vacancies are a reflection of the local economy.

Courtyard Apartments

- Rehabing the units and painting the buildings are one-time expenses that are hurting Courtyard's financial indicators. The other contributing factor is the higher than anticipated vacancy rate. Rehab should be completed by year-end.

Home Ownership Services (formerly Calling Mesa County Home)

- Due to the delay in the adoption of the Federal Budget and appropriation of 2010-2011 funding, agencies have had to operate under a Continuing Resolution. Because of that, approximately \$86K in GJHA Home Ownership Services haven't been able to be invoiced but will be once agencies' funding is in place.

Teresa's question regarding future federal funding cuts was addressed. Next year, the \$50K U.S. Department of Housing and Urban Development (HUD) grant will be eliminated entirely. Not sustainable in its current shape for next year, the Home Ownership Program Staff continues to apply for grants, as in the past, and will undergo modifications that will be reflected in the Fiscal Year 2011-2012 budget.

With no further discussion, a motion to accept the financials was made by Patti, seconded by Chris, and unanimously approved.

4. Resolution No. 2011-10 Appointing a New Member to the Doors 2 Success Board

A new Board appointment to the Doors 2 Success Board is necessary with the current client representative's resignation and departure from Grand Junction. The Board endorsed the recommendation of Ms. Kim Wheeler. With Teresa's motion to appoint Kim to the Doors 2 Success Board and a second by Chuck, the motion was unanimously approved.

5. Recommendations on Proposals for Providing Retirement Services

From the inception of GJHA in 1974, the retirement plan provider for GJHA has been Housing Agency Retirement Trust (HART). HART has served GJHA well in the past, but because it doesn't offer additional services for employees, such as investment education or retirement planning, staff has considered changing to a different retirement plan provider.

Inquiries were made to the City of Grand Junction (City) and other housing agencies regarding their selections for retirement plan providers, advice was sought from Board Members as well as legal counsel, and a Request for Proposal was issued in March 2011 with responses received from nine companies. Through a GJHA Employee Committee and assistance from a City Personnel Department staff member, the nine responses were narrowed down to three, HART, International City/County Management Association Retirement Corporation (ICMA-RC), and Mutual of America. Interviews were conducted by the Committee and, by unanimous decision, ICMA-RC was determined to provide the best service to GJHA employees. The Board is asked for its approval to change GJHA's Retirement Plan Provider from HART to ICMA-RC.

Discussion ensued including such topics as:

- Personal Board endorsement in the selection of ICMA-RC due to positive personal/business experiences;
- A transfer of employee accounts from one provider to the other will be cost free;
- Fees at ICMA-RC are slightly higher for employees with larger account balances;
- Limitations might exist on how frequently employees can make changes to their accounts;
- GJHA's Defined Contribution Plan will need to be changed;
- An on-going GJHA Employee Retirement Committee doesn't exist but ICMA-RC representatives will be at GJHA quarterly to provide needed employee services;
- City approval isn't necessary to make provider change as GJHA is separate entity;
- There will be some GJHA administrative costs associated with staff time to coordinate paperwork changes.

Jody stated the target date for the change over is December 1st, and it is estimated that employee funds will be out of the market one to two days due to the transfer. In response to that comment, Tim stated that most mutual funds do dividends or capital gains distribution in November/December so a work-around date might be considered.

With the distribution and review of *Resolution No. 2011-11 Authorizing the Grand Junction Housing Authority to Change Retirement Plan Providers from Housing Agency Retirement Trust (HART) to ICMA-RC*, a motion to that affect was made by Teresa. With a second from Patti and a unanimous vote, Resolution No. 2011-11 was authorized.

At this point in the Meeting and at the suggestion of Tim, Agenda Items were rearranged slightly addressing “Other Business” next.

6. Other Business

Real Estate Offer

In keeping with the Colorado Open Meetings Law and its rules on conducting Executive Sessions, discussion was purposely kept nonspecific in this Open Meeting to eliminate the need for an Executive Session, which would require separate scheduling.

Referencing the Board’s direction from a previous Executive Session authorizing an offer be made on real estate, Jody stated the offer was tendered. She continued by outlining the sellers’ responses.

Group discussion ensued covering such items as current and future Federal Budget program cuts, current Grand Valley economic conditions, Federal Debt Ceiling Proposal eliminating the Low Income Housing Tax Credit Program, maintaining Agency cash reserves, watching for other real estate opportunities, and possible counter offer/options pertaining to this real estate matter. Chuck suggested that if the Board’s decision was to terminate negotiations on this real estate offer, then a letter should be sent informing all parties of such decision.

The group agreed a “holding pattern” for the short term was best, all the while watching for other real estate opportunities, and to close negotiations on this real estate offer.

Jody assumed the action item of sending a letter to all sellers concluding negotiations on this real estate matter noting, however, that GJHA would consider a new offer, should it be extended.

HUD’s New Contracting Administrator for Project-Based Section 8 for Colorado

An announcement made by Lori informed the group that HUD awarded its Contract for Contract Administrator for Project-Based Section 8 for Colorado to Southwest Housing Compliance Corporation (SHCC), who replaces Colorado Housing and Finance Authority (CHFA), effective October 1, 2011. CHFA has served the State of Colorado in this capacity for many years. GJHA properties affected by this organizational compliance change are Walnut Park Apartments and Ratekin Tower.

Note: Mid-July HUD announced that all of these contracts would be re-bid; therefore, CHFA will continue to serve as Contract Administrator for Project-Based Section 8 for the State of Colorado for an additional six months.

Reschedule Breakfast for Your Brain Workshop

The next Breakfast for Your Brain Workshop will be August 8th beginning at 7:30 a.m. at the GJHA facility located at 1011 N. 10th Street with the focus on eligibility for GJHA services.

7. Discuss Proposed 2011-2012 GJHA Goals

The June 27th GJHA Strategic Planning Retreat included identifying goals/objectives for the coming year. A draft of Retreat key goal areas was forwarded to Board Members for review, with further polishing of the goals slated for July's Meeting.

In developing a framework going forward, the group decided goals from the Five-Year Plan Agency Goals document that are still applicable along with new Retreat goals will be consolidated into one document identifying Tier 1 Goals that will actively be pursued and Tier 2 Goals that could be reactivated if funding is available, opportunities arise, etc. Dates will be added to Goals with specific objectives/timelines.

With the review of the Five-Year Plan Agency Goals document, the following determination was made regarding specific goals and their status:

Goal 1. A. Develop and implement a Public Relations and Marketing Plan.

- *Carry forward and refine.*

Goal 1. B. Develop opportunities to provide value-added services to private sector partners and to improve the quality and affordability of the rental housing market.

- *Standing goal for Objectives 1-3 – (1) Continue and strengthen the Landlord Advisory Committee (Advisory Group—not an Action Group); (2) Continue to provide quality training opportunities to regional housing authorities/landlords; (3) Share Legislative updates with GJHA Board.*
- *Delete Objective 4 – Propose creation of a Colorado Low Income Housing Tax Credit (LIHTC) Investor Pool w/CHFA.*
- *Completed Objective 5 – Research the need for GJHA provided property management services, coaching in the non-profit and for profit market. Refine Objective with different opportunities/areas to provide GJHA services, possibly to LIHTC properties.*
- *Delete Objective 6 – Develop and seek funding for a Multi-Family Rehab Loan Program that targets area of blight and areas of poverty concentration.*

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Goal 2. A. Complete Walnut Park expansion; providing 12 fully American with Disabilities Act (ADA) accessible units bringing Walnut Park in compliance with Fair Housing rules and regulations.

- *Delete – completed.*

Goal 2.B. Complete year 15 Crystal Brook Townhomes buy out.

- *Delete – completed.*

Goal 2.C. Complete rehab of the Bunting property.

- *Carry forward – close to completion – first Quarter 2012.*

Goal 2.D. Begin development plan for Bookcliff property.

- *Carry forward.*

Goal 2.E. Sell single family homes and vacant lot.

- *Delete for now – markets not favorable. May reinstate later.*

Goal 3.A. Expand provision of the Foreclosure Counseling Services.

- *Valuable Program – maintain within funding resources and continue seeking funding - unless funding is obtained, program will be reduced/eliminated.*

Goal 3.B. Apply for new Vouchers and other HUD funding as it becomes available.

- *Standing goal – routine business* – In support of this goal, the following efforts/possibilities were mentioned by Jody and Lori:
 - Applied for and received 85 Veterans Affairs Supportive Housing (VASH) Vouchers.
 - Recently applied for a grant in collaboration with Colorado West for a prisoner re-entry program for treatment, case management, and housing advocate funding.
 - Note: Not successful.
 - Possibility of Colorado DOH's Supportive Housing and Homeless Programs (SHHP) Vouchers coming to housing authorities in the future.
 - Possible Vouchers tied to the "Money Follows the Person Program" that transfers residents of long-term nursing home/needling skilled care to different facility.

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- GJHA staff involvement (Housing Colorado Board; Colorado National Association of Housing & Redevelopment Officials (NAHRO) Board; various state-wide committees) equates to more of a State presence which promote partnerships and unique Voucher opportunities.
- ***Carry forward and seek funding as available for Objective 1 – Obtain funding to continue GJHA’s Next Step Housing Program serving families with children in School District 51.***
- ***Carry forward and seek Vouchers as available for Objective 2 – Apply for additional Mainstream and Family Unification Program (FUP) Vouchers.***

Goal 3.C. Continue to earn “High Performer Agency” rating in HUD Section Eight Management Assessment Program (SEMAP).

- ***Standing goal for Objective 1 – Maintain 98% utilization of Budget Authority or Units.***

Goal 3.D. Acquire a larger office space to consolidate all GJHA operations, and improve or relocate maintenance facilities.

- ***Carry forward.***

Upon the Board’s request in evaluating the sustainability of programs/properties/services that are not currently self-sustaining or at risk, a document illustrating the vulnerability of the revenue sources that support each program was reviewed with Jody explaining the programs/properties/services and their numbers, reflective through June of 2011.

Properties/programs/services believed to be self sustaining and are expected to continue to be include: Ratekin Tower; Ratekin Service Coordinator; Walnut Park Apartments; Walnut ADA assessable units; Tax Credit Properties including Crystal Brook Townhomes, Linden Pointe, and Arbor Vista.

The Vouchers Program is under a Housing Assistance Payment (HAP) Contract and funding is dependent upon appropriations, which are likely to change from year to year. The Family Self-Sufficiency (FSS) and Housing Advocate serve Voucher clients and Voucher Admin funds are transferred to both. These Programs are self sustaining, presuming the revenue sources continue and can be scaled up or down with the funding.

The General Fund is self sustaining because of the services, such as maintenance and accounting, it provides to the other Programs. Acquisitions and Development (Acq/Dev)

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is funded by Developer Fees with more expenses than revenue for 2011. At this point, Acq/Dev sustainability is unknown because of the uncertainty in the development arena due to the possibility of the elimination of Tax Credits. Clarification was given on the Year-to-Date (YTD) deficit figure for Acq/Dev.

Lincoln Apartments is self-sustaining. Bookcliff Squire will require support to pay for its mortgage and a balloon payment is due in May 2012. Once rehab is completed, Courtyard Apartments is expected to be self-sustaining. If there are no vacancies and maintenance costs remain low, the houses are expected to be self-sustaining.

Congress has eliminated Home Ownership counseling funds for 2012 and it is likely there will be no funding for 2013. The TBRA/Next Step contract will expire July 31, 2012. Services/grant funding are actively being pursued.

No action was requested of the Board.

8. Adjourn

With a motion by Teresa and joint consensus, the July Board Meeting was adjourned at 1:19 p.m.