

## REVISED MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
June Meeting

Monday, June 22, 2015  
Linden Pointe Community Center  
11:30 a.m.

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### 1. Call to Order

At 11:33 a.m. on June 22, 2015, Board Chair Chris Launer called to order the June Meeting of the Grand Junction Housing Authority (GJHA) with the following in attendance: Board Members Scott Aker, Tami Beard, Chuck McDaniel, and Barbara Traylor Smith; Rich Krohn of Dufford Waldeck Milburn & Krohn, and GJHA staff members CEO Jody Kole and COO Lori Rosendahl. Board Members in attendance represented a quorum. Jerry Schafer joined the group during the Executive Session. Chris Mueller was not in attendance.

### 2. Roll Call to Move into Executive Session for a Conference with Attorney for the Purpose of Receiving Legal Advice on Specific Legal Questions – C.R.S. 24-6-402 (4)(b)

Immediately after convening, the group went into an Executive Session with a roll call vote to receive legal advice from attorney Rich Krohn.

Jerry Schafer joined the Meeting at 11:45 a.m.

### 3. Roll Call to Move out of Executive Session and Return to Open Meeting

The group concluded the Executive Session at 12:26 p.m. and returned to the Open Meeting with a roll call vote. GJHA Director of Housing Amy Case and Executive Assistant Kristine Franz joined the meeting.

The group welcomed Mr. Jerry Schafer as the Resident Board Member. Attendees introduced themselves and Jerry gave a brief history about himself.

### 4. The Highlands

- **Public Hearing Regarding the Grant Application to the Colorado Division of Housing**

There were no additional community members present for this Hearing.

- **Adoption of Resolution No. 2015-06-03 Approving The Highlands Funding Application**

The GJHA is competing for an allocation of Low Income Housing Tax Credits (LIHTC) from the Colorado Housing and Finance Authority (CHFA) for The Highlands. Jody Kole stated that the presentation to CHFA's Tax Credit Allocation Committee is scheduled for July 14, 2015 in Denver, Colorado. Co-presenters include Jody Kole, Rich Krohn, and President and CEO of HopeWest, Christy Whitney. Emphasis will focus on the senior wellness services provided at the complex.

One of the potential funding sources for construction of The Highlands is The Colorado Division of Housing (CDOH), who administers grant programs for affordable housing. State funds in the amount of \$800K are being requested, and will match local commitments from both the City of Grand Junction and GJHA. With a motion by Barbara Traylor Smith, a second by Tami Beard, and unanimous approval, *Resolution No. 2015-06-03 Approving The Highlands Funding Application* received approval.

To answer Chris Launer's question, staff expects to present The Highlands budget at the July Board Meeting.

**5. 8 Foresight Circle**

Jody Kole began discussion on 8 Foresight Circle stating that the latest review of costs indicated an approximate \$355K increase over the preliminary estimates presented earlier. She stated the overage occurs in the construction phase (Part B), and shared several reasons and possible options for cost reduction. A memo authored by Jody Kole dated June 19, 2015 and included in the Board Packet documents summarized these costs. (The memo is retained in the permanent file.) The four primary causes of the roughly \$355K variance are as follows:

- Concerns by the engineer about the potential for sub-grade failure under the parking lot, which may require additional excavation, addition of a geo-mat and extra structural fill material, and import of soils to raise the grade at and near the parking lot.
- The addition of a Payment and Performance Bond (P & PB) for \$35K.
- Some design features that added costs, but can be reduced or eliminated without loss of the operating performance of the building.
  - Jody Kole noted that products of a higher quality can be trimmed back. Examples given included bathroom faucets and door frames.
- Lack of local subcontractors bidding on the work.

Figures will continue to be refined with the Design-Build team. Staff plans to present a proposed budget at the July Board Meeting.

Rich Krohn distributed the red-lined version of the two-part Design-Build Agreement between GJHA and Shaw Construction. (This document is retained in the permanent file along with the approved Meeting Minutes.) He stated that the Agreement mirrors the Agreement the Board approved at the May 18, 2015 Board Meeting for The Highlands. The Agreement consists of the following two parts:

- Part A – Incorporates all design and pricing work to arrive at a final Guaranteed Maximum Price.
- Part B – Includes all construction work and the purchase/installation of furniture, fixtures, and equipment.

Jody Kole requested the Board authorize the execution of the Agreement, which authorizes only Part A of the work priced at \$200,876. Prior Board approval is required to authorize Part B of the Agreement and will likely be requested at the July Board Meeting. Rich Krohn reiterated that by signing the Agreement, the Board is liable to pay Shaw Construction \$200,876 for Part A work.

One of the contributors of the increased cost of Part B is \$35K for a Payment and Performance Bond. Rich Krohn discussed the statutory requirement and possible options to replace this Bond, but cautioned that substitution of the Bond is unlikely.

In response to Chuck McDaniel's inquiry, Jody Kole distributed a potential funding Sources and Uses document for both 8 Foresight Circle and The Highlands. (This document is retained in the permanent file along with the approved Meeting Minutes.) She explained line items and clarified Board questions. Barbara Traylor Smith suggested research might be done for additional grant funding sources. Scott Aker suggested The Highlands might qualify for grant funding from the Colorado Department of Local Affairs (DOLA). GJHA staff will follow-up on the funding research suggestions.

Upon completed discussion, Scott Aker made a motion to approve the execution of The Highlands Agreement, authorizing only Part A for \$200,876. A second by Jerry Schafer and a unanimous vote approved the motion.

Scott Aker departed the Meeting at 12:50 p.m. A quorum remained. Rich Krohn left the Meeting at 12:52 p.m.

## 6. Consent Calendar

The Consent Calendar consisted of *Resolution No. 2015-06-02 Authorizing the Write-off of Bad Debts and Resident Engagement Strategies and Request the Use of Laundry Reserve Accounts.*

Lori Rosendahl requested Board authorization to write off two bad debts totaling \$8,151.49. (The Board Packet documents included Lori Rosendahl's memo dated June 18, 2015 regarding this item, and this memo is retained in the permanent file.) She explained reasons for the significant cost of one bad debt write-off request for one tenant: an ongoing problematic tenant with severe disabilities required many accommodations be made. Unfortunately, tenant eviction eventually occurred, followed by costs incurred for large attorney fee bills and repair of damages to the unit beyond normal wear and tear.

Lori's memo dated June 18, 2015, included in the Board Packet documents, outlined planned resident engagement strategies consisting of educational classes for adults, social opportunities for all, and youth engagement. Events include but are not limited to skill camps and outdoor events for children; BBQs, ice cream socials, and movie nights for families; and movies, book clubs, bingo, and BBQs for the senior complexes. Staff requests use of \$1,000 of Laundry Reserve Account funds at Ratekin Tower and Walnut Park Apartments to purchase supplies and equipment to support resident engagements at those properties.

Tami Beard made a motion and Barbara Traylor Smith seconded the motion to approve the Consent Calendar. A unanimous vote carried the motion.

**7. Public Hearing for the GJHA Agency Plan**

The GJHA Agency Five-Year Plan/Annual Plan Update must be submitted to the U.S. Department of Housing and Urban Development (HUD).

As a requirement of HUD, a Public Hearing must be held for community comments on the Annual Plan. There were no additional community members present for this Hearing, and no written comments received during the mandated 45-day public review period either where the public has the opportunity to review the Plan at the Mesa County Public Library or at the GJHA Office at 1011 North Tenth Street.

The internal review process between GJHA staff members and the Resident Advisory Board (RAB) for the Administrative Plan is complete. There are no changes to the Administrative Plan for FY 2015-2016. The Five-Year Plan for 2015-2020 and Goals Update correspond with the GJHA Strategic Plan. Board Members received Lori Rosendahl's memo dated June 18, 2015 regarding the Annual Agency Plan Submission and Admin Plan Update along with the associated documents in the Meeting Board Packet. Lori Rosendahl addressed and clarified Board questions regarding the major goals identified to HUD.

Discussion transpired regarding the status of an updated Strategic Plan and its correlation with Executive Compensation. This will be an Agenda Item for July.

Barbara Traylor Smith made a motion to adopt *Resolution No. 2015-06-01 Adopting the Agency's Five-Year PHA Plan for Fiscal Years 2015-2020 and the Annual PHA Plan for Fiscal Year 2015-2016*. The motion carried with a second by Jerry Schafer and a unanimous vote.

**8. Presentation of Financial Statements for the Period Ended March 31, 2015 for all GJHA Programs, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista**

Board Members received prior distribution of financial statements for the period ended March 31, 2015, for all GJHA Programs and Partnership Properties for early review. The addition of a new Quarterly Comparison Report by property/location accompanied the Overview of each Program and Summary Dashboard Report for the second quarter. In the near future, quarterly comparisons to the prior year will be provided as well.

Lori Rosendahl clarified Board questions regarding certain programs, line-item dollar amounts, and variances.

Barbara Traylor Smith plans to attend a financial software system demonstration and will report on the viability for GJHA.

The July Board Agenda will include a presentation of Financial Statements for the Period Ended June 30, 2015.

The Board accepted the Financial Statements for the Second Quarter of FY 2014-2015 with a motion from Barbara Traylor Smith, a second from Tami Beard, and a unanimous vote.

**9. Housing Choice Voucher Program Update**

As previously discussed during the April 29, 2015 Board Meeting, HUD funds public housing authorities with a "Budget Authority" amount that is intended to cover an awarded number of units per year. Public Housing Authorities are not allowed to expend more than their allocated Budget Authority or lease more than their awarded number of units.

Lori Rosendahl referenced her memo to the Board dated June 16, 2015 and the updated Voucher Utilization and Funding spreadsheet. The program overview continues to show a possible unit over-leased position at year-end. If that trend holds, GJHA could be required to use approximately \$30K of its Administrative Fee for up to 48 families to pay for the over-leased Housing Assistance Payments (HAP).

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Additional discussion covered topics such as actively monitoring fraud issues, attrition, and extra bedroom requests authorized by physicians. Lori Rosendahl reiterated that overall, the Housing Choice Voucher (HCV) Program is in a good financial position and should end the year with a healthy Admin Fee and Housing Assistance Payments (HAP) Reserve.

Lori Rosendahl distributed information pertaining to the Public Housing Authorities Directors Association (PHADA) Legislative Conference in Washington, D.C. in September. (This information is attached to the approved Board Meeting Minutes.) This will be an opportunity to learn more about the preliminary HCV Program Administrative Fee Study findings recently released.

**10. Other Business**

*Reminder of Landlord Luncheon June 24, 2015*

The annual Landlord Luncheon hosted by the GJHA will be June 24, 2015 at the Linden Pointe Clubhouse beginning at 11:30 a.m. with an estimated forty landlords attending. A representative from the Office of the Inspector General is scheduled to speak on the topic of tenant/landlord fraud. Board Members are invited to attend.

**11. Adjourn**

With business concluded, the regular June Meeting adjourned at 1:35 p.m.