

## MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
**Rescheduled May Meeting**

Monday, May 18, 2015  
Linden Pointe Community Center  
11:30 a.m.

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### 1. **Call to Order**

At 11:35 a.m., on May 18, 2015, Board Chair Chris Launer called to order the rescheduled May meeting of the Grand Junction Housing Authority (GJHA) with the following in attendance: Board Members Scott Aker, Tami Beard, Chuck McDaniel, Chris Mueller, 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.

### 2. **Roll Call to Move into Executive Session to Discuss Real Estate – Specifically Potential Real Estate Acquisition – C.R.S. 24-6-402 (4)(a) and to Receive Legal Advice from Attorney – C.R.S. 24-6-402 (4)(b)**

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

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

The group concluded the Executive Session at 12:37 p.m. and returned to the Open Meeting. GJHA Executive Assistant Kristine Franz joined the meeting.

Rearrangement of Agenda topics occurred due to the schedules of attendees.

### 4. **The Highlands Development**

Board Members previously received a draft three-part Construction Contract as an attachment to a Board Memo authored by Jody Kole and dated May 15, 2015. This Contract, titled a *Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder*, is between GJHA and Shaw Builders for The Highlands development.

Jody Kole's memo explained the three-part Contract and identified the current status of each phase. Jody said a positive award decision of Low Income Housing Tax Credits (LIHTC) by the Colorado Housing and Finance Authority (CHFA) for The Highlands is anticipated the first part of August. If Tax Credits are awarded, construction is targeted to begin in early fall of 2015 with early resident lease-up to begin in the fall of 2016.

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Rich Krohn noted a couple of changes that will be made to the Contract document (a typo in Section 9.2 on page 17 and the inclusion of Exhibit 1) prior to final execution. The Board concurred.

With discussion completed, the Board authorized Jody Kole to proceed with the execution of the Contract with Shaw Construction for The Highlands with a motion by Scott Aker and second by Tami Beard. The motion received unanimous approval.

Jody Kole briefly outlined the next stages in this development process:

- Phase I of the three-part Shaw Construction Contract is completed with Board authorization received today to proceed with Phase II. The total costs of Phase I and Phase II are estimated at slightly under \$800K. The Board acknowledged that GJHA is liable to Shaw Construction for costs incurred if CHFA Tax Credits, and subsequently, the grant funding from the Colorado Department of Housing (CDOH) are not awarded to the development.
- Presentations will be given to the CHFA Tax Credit Allocation Committee mid-July by the applicants with expected Tax Credit award notification the first part of August.
- Requests for Proposals (RFPs) for the Equity Investor Limited Partner and the Construction and Permanent Financing Lender will be released quickly following successful Tax Credit award. Partnership negotiations are anticipated to begin in early September.

The projected timetable going forward indicates a year to finish construction, with anticipated completion in November of 2016. This time of the year is also the start of the holiday season. Families are less likely to move after November 1<sup>st</sup> through January due to winter weather and the holidays, leaving vacant units for an extended time. An accelerated construction schedule might be an option to eliminate the possibility of vacant units. Jody Kole talked of a means to fast-track a portion of construction. In the future, Board Members might consider the possibility of authorizing a "Limited Scope of Work" Contract for Shaw to proceed with earth/foundation work. This work is also referred to as "coming out of the ground", and would begin prior to the close of the Equity Investor Partnership Agreement. The cost for this limited scope of work is estimated between \$650K- \$800K. Funding sources will also need to be discussed at a later date if consideration is given to this option.

Jody Kole and Rich Krohn spoke of benefits for this possible early start which included:

- Savings of additional construction costs incurred if adverse winter weather affects the construction schedule, and

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- Earlier receipt of the largest portion of GJHA's earned Developer Fee, due to early completion of lease-up.

Jody Kole spoke to options if the development was not chosen to receive Tax Credits.

**5. Request Adoption of Minutes of April 29, 2015**

With two minor corrections to the Minutes of April 29, 2015 (a typo and a GJHA staff title change), the Board unanimously adopted the Minutes with a motion by Barbara Traylor Smith and a second by Chris Mueller.

**6. 8 Foresight Circle**

Previously distributed meeting material included a letter dated May 6, 2015 from Shaw Construction to Jody Kole outlining tasks to be included in the interior demolition of the existing building at 8 Foresight Circle, also known as the GJHA Office Headquarters. Jody Kole referenced this letter, and requested authorization to proceed with this "Not to Exceed" Agreement in the amount of \$76,225.

Jody Kole stated that the architect will be completing construction drawings today, and Shaw Construction will continue the pricing exercise. A final package with plans and costs will be presented at the June Board Meeting.

Rich Krohn stated that the two-part Construction Contract for 8 Foresight Circle will parallel The Highlands Construction Contract with Shaw, with applicable changes made. A red-lined draft Contract illustrating the changes will be provided at the next Board Meeting for Board consideration.

Jody Kole answered Chuck McDaniel's question by clarifying the loan commitment terms from the Bank of Colorado.

With discussion completed, Jody Kole received Board authorization to proceed with the "Not to Exceed" Agreement for demolition work on 8 Foresight Circle with Shaw Construction with a motion by Chris Mueller and a second by Scott Aker. The motion passed unanimously.

Rich Krohn left the meeting at 12:50 p.m.

In response to Chuck McDaniel's request, Jody Kole distributed a draft of the *Cash Reserve Analysis* as of February 2015. Brief discussion transpired with Jody explaining the figures.

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Scott Aker left the meeting at 1:00 p.m. A quorum remained.

**7. Other Business**

*Landlord Luncheons*

Lori Rosendahl distributed a flyer promoting the upcoming GJHA Landlord Luncheons on June 24, 2015 and September 17, 2015. Special programs spotlighting fraud and mental health awareness with guest speakers from the Denver office of the Department of Housing and Urban Development (HUD), Office of the Inspector General, the Mesa County Department of Human Services Fraud Team, and MindSprings are planned. Board Members are invited to attend if interested.

*Special Events for Residents*

Exciting events are planned this summer for residents at all GJHA properties with the focus on children. Lori Rosendahl described current planned programs include instructional sports camps for lacrosse, football, and baseball. School District No. 51 Resource Officers will be in attendance to connect with the families. Board Members are encouraged to attend if interested.

*Resident Board Member Appointment*

In answer to an inquiry by Chris Launer, Barbara Traylor Smith said that the Grand Junction City Council recently appointed Mr. Jerry Schafer to the GJHA Board. Jerry will fill the Resident Board Member vacant seat, beginning with the June meeting.

*Colorado National Association of Housing and Redevelopment Officials*

Congratulations to Lori Rosendahl who recently assumed the responsibility of President of the Colorado National Association of Housing and Redevelopment Officials (NAHRO) organization for the 2015-2017 term.

**8. Adjourn**

With no other business, the meeting concluded at 1:03 p.m.