

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Special April Meeting

Monday, April 4, 2016
Linden Pointe Clubhouse
4:00 p.m.

1. **Call to Order**

Grand Junction Housing Authority (GJHA) Board Vice Chair Tami Beard called the Special April Board Meeting to order at 4:07 p.m. on Monday, April 4, 2016 with the following individuals present: Board Members Scott Aker, John Howe, Tim Hudner, and Barbara Traylor-Smith; Chief Executive Officer Jody Kole, Chief Operating Office Lori Rosendahl, Controller Amy Case, and Executive Assistant Kristine Franz. Board Members present represented a quorum. Jerry Schafer arrived later in the meeting. Chris Launer did not attend the meeting.

2. **Welcome to New Board Member John Howe**

The group welcomed the newest Board Member John Howe to the group. John gave his brief profile, and introductions by meeting attendees followed.

3. **PUBLIC HEARING for the Tenant Based Rental Assistance Grant from the State of Colorado, Division of Housing for the Next Step Housing Program**

Lori Rosendahl explained that GJHA is applying for a Tenant Based Rental Assistance Grant, which are HOME Investment Partnership Program (HOME) Funds from the State of Colorado Division of Housing for the Next Step Housing Program. The Next Step Housing Program serves homeless families with children in Mesa County School District No. 51. Referrals are made through School District personnel, and GJHA staff provides case management for these families. Lori Rosendahl also noted that with GJHA's loss of the AmeriCorps volunteer tutor for this Program, staff is currently working on raising funds to provide for another qualified tutor.

A public hearing must be held prior to the submittal of the GJHA Application for these funds. Board Vice Chair Tami Beard opened the Public Hearing at 4:15 p.m. No additional individuals attended the Public Hearing. GJHA plans to submit an Application for HOME Funds by the deadline at the end of April. Funding will be for the next two years. In the past, GJHA received approximately \$600K for a two-year cycle of the Next Step Housing Program.

Barbara Traylor-Smith made the only comment. Barbara said she understands there is an individual in the community involved in a pre-tutoring non-profit group, and volunteer instructors are being sought. She will research further for additional details.

Minutes (contd.)

Page 2

April 4, 2016

Board Vice Chair Tami Beard closed the Public Hearing at 4:16 p.m.

With no further discussion, a motion by Scott Aker, a second by Barbara Traylor Smith, and a unanimous vote approved the submittal of the HOME Funds Application.

4. Consent Calendar

The Consent Calendar consisted of three items: 1) *Request Approval of Resolution No. 2016-04-01 Designating The Location for the Posting of the Notice of Meetings and Establishing a Meeting Schedule for 2016 for the Board of Commissioners of the Grand Junction Housing Authority;* 2) *Request Approval for Resolution No. 2016-04-02 Permitting the Chief Operating Officer to Sign all Colorado Division of Housing Documents Related to the Colorado Division of Housing 2016 Tenant Based Rental Assistance Program;* and 3) *Request Approval of Resolution No. 2016-04-03 Revising Ratekin Tower Operating Budget.*

Lori Rosendahl distributed an amended version of the Ratekin Tower Operating Budget. She explained that the Budget numbers did not change. The change amounted to moving a number to a different line item on the Budget Sheet.

With no comments or questions, the Board approved the Consent Calendar as read with a motion from Barbara Traylor-Smith, a second by Scott Aker, and a unanimous vote.

5. Update on The Highlands

Jody Kole announced the finalization today of the Equity Partnership Agreement with Wells Fargo for The Highlands – Phase I. It is anticipated that the transfer of funds to GJHA will occur later today or tomorrow. Transferred to the GJHA General Fund will be \$500K for the first installment of the earned Developer's Fee and reimbursement of \$942K in pre-development costs previously expended. Board Members extended congratulatory remarks to Jody Kole and GJHA Attorneys Rich Krohn and Jill Norris regarding the tremendous effort to complete the Equity Partnership Agreement.

Jerry Schafer joined the Meeting at 4:20 p.m.

In answer to Barbara Traylor-Smith's question regarding Phase 2 of The Highlands, Jody Kole stated there is no word yet on the 4% State Tax Credit Application decision, but she expects to learn of results around May 15, 2016.

As previously reported, the U.S. Department of Housing and Urban Development (HUD) Section 8bb final commitment process for The Highlands – Phase 2 is currently at a standstill. New HUD personnel at the federal level recently interpreted the guidelines

Minutes (contd.)

Page 3

April 4, 2016

differently on how the Section 8bb funds may be reallocated. The Highlands – Phase 1 and Phase 2 both received only a soft commitment, not a firm commitment, which makes the funding doubtful. The Highlands – Phase 2 transaction is not financially viable without the Section 8bb Housing Assistance Payment (HAP) funding.

Lori Rosendahl reported on her recent meeting in Denver, Colorado, with the HUD staff regarding the stalled funding. Lori Rosendahl said HUD personnel exhibited confidence in a positive resolution, understands the critical nature of the funding to this project, and will pursue every possibility. Efforts also continue to obtain “grandfather status” for The Highlands – Phase 2. The reassignment of funding for the Nellie Bechtel property to The Highlands – Phase 2 might also be an option and will be considered.

Jody Kole addressed Tim Hudner’s question by stressing that The Highlands - Phase 2 development is not financially viable without the HUD Section 8bb HAP funding. Without a firm commitment for the HUD Section 8bb funding, Jody Kole said she is evaluating whether to move forward at this time with the Application for the 4% State Tax Credits. The last date to withdraw the GJHA Application from consideration by the State Committee is April 29, 2016. Jody Kole said it is advisable that GJHA withdraw the Application if the final decision on the HUD Section 8bb HAP funding is not received by the April 29, 2016 deadline.

Jody reported that Community Development Block Grant (CDBG) Applications are drafted and submitted to the City of Grand Junction (City) for the Nellie Bechtel property and The Highlands – Phase 2 development. The priority focuses on The Highlands – Phase 2, and the request is for approximately \$200K. The request for the Nellie Bechtel property is approximately \$161K.

In support of the CDBG Application, Barbara Traylor Smith requested talking points on the importance of senior housing, why this project and why the importance of this project now as opposed to later, how/when units may become available, etc. Jody Kole will provide information to Barbara Traylor Smith prior to the CDBG review process by the Grand Junction City Council.

Jody said that work is on-going with the Bank of Colorado to submit an Application for a Federal Home Loan Bank Grant for The Highlands – Phase 2 by April 15, 2016.

April 5, 2016 is the anticipated issuance date to Shaw Construction for The Highlands – Phase I Notice to Proceed.

6. Finance and Audit Committee Report

Committee Chair Tim Hudner gave the Finance and Audit Committee (Committee) Report. The Committee did not discuss the Quarterly Financial Reports as anticipated but did engage in lengthy discussion regarding the Tax Credit Properties and GJHA financial reporting.

Topics addressed regarding the Tax Credit Properties included:

- Maximizing funds earned by GJHA prior to the completion of the 15-year initial compliance period of the property.
- Hiring a consulting firm to advise on the levers of the property and how to best optimize the 15-year contract period before maturity.
 - Several months ago, Jody Kole and Lori Rosendahl met with GJHA auditor Mr. Joe Fee, of Hawkins Ash and requested analysis be completed on the Tax Credit Properties.
 - In-house analysis requires both expertise and time.
- Providing to the Board a Tax Credit Property-Specific Report illustrating financial tracking, identifying any possible future issues, and mitigating actions for oversights in securing eligible dollars.
- Reducing the buyout price with Soft Debt. Soft debt is debt that is only paid if cash flow is available.
- Balancing both the tax side and operating side of the property is complex.
 - With a longer time period to focus on reaching the investor projections, the easier this process becomes.
- Requesting the review of properties on a regular basis by the Committee and the GJHA Auditor.

The Committee also discussed financial reports provided to the Board. The goal is for the Committee and Board to review the same computer-generated reports as executive staff, thereby eliminating the time-consuming manual input of data to generate summary / Board reports. A Cash Report is also being developed to give Board Members a consolidated figure of available Unrestricted and Restricted Cash, should the need arise from an opportunity or emergency. Consideration is being given to creating a combined General Cash Reserve Account.

Additional topics discussed during the Committee Meeting included:

- Establishing a pre-scheduled time line to review certain financial items that occur on an annual or frequent basis, such as budgets, audits, etc.

Minutes (contd.)

Page 5

April 4, 2016

- Contemplating the best date / time for regular monthly Board Meetings. Ample time exists for staff to review and provide timely financial data to Committee Members if the regular Board Meeting is later in the month. An earlier monthly Board Meeting means the financial data reviewed is not as timely and will be approximately six to eight weeks old.
 - It is anticipated the Board Meeting date / time will be discussed again at the May 17, 2016 Board Meeting.

As a side note, Scott Aker noted that the Fiscal Year 2015 Annual Report distributed in the form of table placements at the Annual Meeting appeared to be a very user-friendly way to illustrate the general high-level financial condition of the Agency, as well as the customer-focused aspects of GJHA services.

With the Committee completing a monthly financial review and providing an overview at Board Meetings, Board Members concurred to review on a quarterly basis the following documents in preparation for discussion:

- Quarterly Consolidated Financial Reports
- Dashboards for the three Tax Credit properties
- Summary Memo from the Controller
- Consolidated Cash Report
- Cash Reserves Analysis

Lori Rosendahl mentioned that Amy Case will meet with a software provider next week and provide direction for customized reports. Scott Aker reiterated consideration be given to less restrictive tolerance levels reflected in the Dashboards, to which Lori Rosendahl said that concern will be addressed with the software provider as well. Barbara Traylor Smith suggested comparing the platform being used by the Finance Department at the City prior to meeting with the software provider.

7. Presentation of Financial Statements Ended December 30, 2015 for All GJHA Properties and LIHTC Properties

With no questions or comments, the Board accepted the Financial Statements Ended December 30, 2015 for all GJHA Properties and Low Income Housing Tax Credit (LIHTC) Properties with a motion by Tim Hudner, a second by Jerry Schafer, and a unanimous vote.

Lori Rosendahl said that the Financial Statements Ended March 30, 2016 for all GJHA Properties and the LIHTC Properties will be presented at the next Board Meeting. A report on the LIHTC Properties Audit will also be an Agenda item.

8. Other Business

Board Member Schedules

Barbara Traylor Smith and Scott Aker said that they will not be available for the April 19, 2016 Board Meeting. Barbara Traylor Smith also said her availability will be somewhat limited for the May 17, 2016 Board Meeting.

Groundbreaking for The Highlands – Phase I

The first week in May is being considered for the groundbreaking at The Highlands – Phase I development. Because of the elementary school adjacent to the property, Scott Aker advised avoiding scheduling the celebration during the school arrival / departure times of the children. Eliminating traffic congestion and additional noise / confusion will make for a more pleasant event.

Barbara Traylor Smith departed at 4:55 p.m.

Colorado NAHRO

In answer to Tami Beard's question, the Colorado National Association of Housing and Redevelopment Officials (CONAHRO) Conference is in Vail, Colorado, the first week in May. Several staff members are attending, and interested Board Members are encouraged to attend.

Vagrancy Issue in Grand Junction

In response to the request by the Grand Junction City Council, Jody Kole and Lori Rosendahl agreed to assist the City with its homelessness issue. Along with several other partners, GJHA staff conducted a point-in-time survey of local homeless individuals and assessed in two days approximately 230 individuals. These people represented mostly the chronically homeless found on the street, at the grocery stores, or living in the park / jail / homeless shelter / or by the river.

With this assessment, completion of The Vulnerability Index, and the assistance of a consultant, a team, comprised of Barbara Traylor Smith, two City employees, and Lori Rosendahl, is deciding how best to present the information to the City Council on May 2, 2016 at the City Council Meeting. The full Vulnerability Index is available from Lori Rosendahl if Board Members would like to review the statistics. Lori Rosendahl noted that in the near future, The Daily Sentinel newspaper is planning to run another article on the homeless situation in the area.

Permanent Supportive Housing

A private developer wants to build a 40-unit housing complex for the single adult chronically homeless population on property he owns in Grand Junction. Community support is being given to this developer by City Council and Staff. Mind Springs Health is offering case management.

Grand Junction Regional Center Campus

Tim Hudner said that legislation is being introduced to the State General Assembly to sell the Grand Junction Regional Center Campus, vacate it, and sell the land. The Appropriations Committee is hearing the legislation that is being co-sponsored by the entire Joint Budget Committee and the Capital Development Committee. The target date for the property to be vacated is July 2018.

9. Adjourn

With no further business, the Meeting adjourned at 5:15 p.m.

All Board Packet documents and documents distributed during the Board Meeting are retained in the permanent file.