

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
June Meeting

Tuesday June 21, 2016
8 Foresight Circle
5:00 p.m.

1. Call to Order

On Tuesday, June 21, 2016, Board Chair Chris Launer called the regular June Board Meeting to order at 5:06 p.m. with the following individuals present: Board Members Tami Beard, John Howe, Tim Hudner, and Jerry Schafer; Chief Executive Officer Jody Kole, Chief Operating Officer Lori Rosendahl, Controller Amy Case, and Executive Assistant Kristine Franz. Board Members present represented a quorum. Barbara Traylor-Smith joined the meeting later. Scott Aker did not attend the meeting.

2. Special Slide Show

Lori Rosendahl presented and narrated a slide show that focused on two different topics:

“What Home Means to Me” Poster Contest Winners

The National Association of Housing & Redevelopment Officials (NAHRO) annually sponsors a “What Home Means to Me” Poster Contest for school-age children, kindergarten through twelfth grade. Public Housing Authorities (PHA) choose to participate, and encourage children of clients to draw and submit posters.

Participating in this contest for the last eight years, GJHA proudly recognized its national grand prize winner five years ago.

GJHA local winners representing the three grade categories of K-5th, 6th-8th, and 9th-12th advance to the State level. State winners are announced at the Colorado NAHRO Conference. This year the local winners from GJHA won first place in both divisions of 6th-8th grade and 9th-12th grade. These winners won a \$100 gift card, and advanced to the Regional level. The K-5th grade poster from GJHA received honorable mention.

Both entries from GJHA continued the winning streak in the respective categories, and won first place at the Regional level announced at the Mountain Plains NAHRO Conference held in Utah in June. First place winners won a \$100 gift card and will advance to the National level. Winners at the National level will be revealed at the National NAHRO Conference in October in New Orleans, and will eventually travel to Washington, D.C. for recognition.

Art work submitted by all the GJHA students will be on display during the congratulatory celebration honoring the students. The festivity will most likely be held in the fall after the National winners are announced. Board Members will be invited to attend.

At 5:08 p.m., Barbara Traylor-Smith joined the meeting.

Ratekin Tower Update

In January 2016, the Board approved expenditure of laundry funds for Ratekin Tower Apartments (RTA) for an update to the common areas on each floor. The approved expenditure amount is not to exceed \$26,000. The RTA common areas are in need of a long overdue “face lift” with new paint, updated furniture, wall décor and flooring. In conjunction with the RTA Tenant Association, GJHA held a community art contest. Tenants chose art work from students across the valley that will be displayed in the common areas.

The slide show illustrated “before and after” pictures of each floor and the dining area. Improvements created a pleasant “homey atmosphere”. The elevator lobby of each floor is painted a different color with the addition of new furniture and laminated wood flooring. The common areas of each floor received new tables with safe non-rolling chairs. Rearranging existing furniture created a cozy sitting area. Interior décor pieces such as wall mirrors and clocks, furniture pillows, plants, window valances, and student art work complimented the refurbished elevator lobbies and common areas on each floor.

Floor tile removed from the elevator lobby areas replaced existing mix-matched floor tile in the hallways on each floor. This change created appealing floors and made a nice overall building improvement.

Lori Rosendahl discussed the dining room improvements. The relocation of the tenant mail box area from the hallway to the dining room, the newly constructed area to house the mail boxes, and the installation of new mail boxes created a safer and more secure area for residents to access mail. Additional furnishings / decorations to the room included new dining room chairs, a new display case, plants, and art work.

Costs are under budget at this time. With the purchase of a few additional interior accessories, the full budget authority of \$26K will be utilized. Residents’ reactions / comments are positive and reflected appreciation for the “make over”.

As a side note, Lori Rosendahl said that a joint press release will be issued highlighting and thanking the students for their participation in submitting art work for both Ratekin Tower Apartments and the “What Home Means to Me” Poster Contest. A celebration

recognizing the students will be held at a later date. Board Members will be notified and invited to attend.

Chris Launer asked what improvements occurred with the use of the awarded Energy Outreach Colorado Funds. Lori Rosendahl said that building improvements included purchasing and installing new domestic hot-water boilers and new hydronic heating boilers, fixing the small area-unit heat pumps in the common areas on each floor, and repairing the building air circulation system. These items are vast improvements to the whole building, with improved air quality noticed immediately.

Lori Rosendahl announced that GJHA received the Real Estate Assessment Center (REAC) Score for Ratekin Tower today. The scoring system is a system used by the U.S. Department of Housing and Urban Development (HUD), and it is the way of assessing properties to assure safe, decent, affordable housing. Information is drawn several ways such as HUD inspections, financial and management reporting, and resident surveys.

The last REAC inspection for Ratekin Tower was in December of 2014, and Ratekin Tower received a 70. Today's score is 95! For this older six-story building to receive such an outstanding score is a credit to the GJHA team who worked exceptionally hard to earn this high score. Lori Rosendahl said that HUD will be sending out a second inspector to verify the accuracy of the score, which is normal with a significant increase in the score. GJHA staff received congratulatory comments from the Board on the effort and greatly improved score.

3. PUBLIC HEARING for the GJHA Agency Plan

In referencing her Board memo dated June 10, 2016, Lori Rosendahl spoke about the Annual Agency Plan submission and Administrative Plan update.

The PHA Annual Plan is a comprehensive guide to the GJHA's policies, programs, operations, and strategies for meeting local housing needs and goals. The two parts to the PHA Plan include: 1) the 5-Year Plan submitted to HUD once every fifth PHA fiscal year, and 2) the Annual Plan, submitted to HUD yearly.

GJHA's Board of Commissioners and the Resident Advisory Board (RAB) review the Annual Plan and approve all changes to the Plan that are not statutory. GJHA has the ability to set its own policies and procedures for certain activities, such as criminal background screening and other internal processes. The internal review process between the GJHA staff and the RAB for the Administrative Plan is complete. There is only one change to the Administrative Plan for FY 2016-2017 and it is as follows:

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- GJHA changed its policy regarding verification of assets of \$5,000 or under. The current policy says that GJHA will accept self-certification of assets under \$5,000 after initial eligibility. The new policy states that GJHA will require original documents or third party verification of assets at recertification and at eligibility.

The RAB inquired why GJHA changed the policy to require verification, as they understand it will be more work for the client and the Housing Specialist. The new HUD Streamlining Rule requires that assets be verified by a third party every three years, making this policy unnecessary.

Lori Rosendahl explained the difference in a HUD rule when the word “must” or “may” is used and how housing authorities are affected. It is mandatory for GJHA to change its policy if the word “must” is used, but optional if the word “may” is used. Lori said that GJHA policies can be more stringent with certain activities if staff chooses to do so. Lori also explained that if HUD issues a rule, it is not necessary for GJHA to hold a public hearing to change its policy to reflect the new HUD rule.

GJHA is required to provide HUD with an updated Agency Plan, Compliance Certifications, RAB Report, and HUD PHA goal updates. Updates to the Strategic Plan will be sent representing the PHA goal updates instead of separate tracking of goals.

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.

Chris Launer opened the Public Hearing at 5:21 p.m. There were no additional questions / comments from Board Members. The Public Hearing closed at 5:22 p.m.

Barbara Traylor-Smith made a motion to adopt *Resolution No. 2016-06-01 Adopting the Agency's Annual PHA Plan for FY 2016-2017*. The motion carried with a second by Jerry Schafer and a unanimous vote.

4. Report from the Finance and Audit Committee

As the Chair of the Finance and Audit Committee, Tim Hudner reported on the Committee Meeting held on June 20, 2016. A review of the monthly financials showed the trending is exactly as reviewed last quarter and represents a strong financial picture. The telephone interview with the auditor regarding the Audit for the Low Income Housing Tax Credit (LIHTC) properties revealed clean Audits with no findings for each

Tax Credit property. Board Members extended congratulatory remarks to staff on the Audit.

A member of the State Housing Board, Tim Hudner reported on a recent presentation given to the Board that focused on the Next Step Housing (Next Step) Program. Next Step serves homeless families with school-age children. Co-presenters appeared before the State Housing Board to request grant funding for this program. Lori Rosendahl gave the GJHA presentation. To GJHA's credit, Tim Hudner stated that other communities modeled their programs after the successful Next Step Program at GJHA.

Tim Hudner said this year, the State Housing Board allocated \$1M in funding state-wide for Next Step, which equates to 25% of the entire HOME Investment Partnership Program (HOME) Funds available to the state of Colorado. In recent years, HOME Funds received severe cut backs. Because of the fear that funds will eventually be eliminated, other funding sources need to be acquired.

Because the presentations made such a positive impression on the State Housing Board Members, Tim Hudner said an effort to raise more funding state-wide will be launched to extend the programs. The Board is looking to leverage state money with private foundation money or corporate funds.

Barbara Traylor-Smith requested Lori Rosendahl give a brief overview of her presentation. Lori said the co-presenter from the Boulder Housing Authority outlined the "nuts and bolts" of its program, which is modeled after GJHA's Next Step Program. For that reason, Lori Rosendahl said she concentrated on clarifying why Tenant-Based Rental Assistance (TBRA) and HOME Funds are used rather than Housing Choice Voucher (HCV) funding. TBRA funds are HOME Funds from the Colorado State Division of Housing for Next Step. Lori Rosendahl's presentation topics included:

- A main focus of Next Step is children.
- Individual agency requirements cannot be placed on the family when using HCV funding, but can be by using the TBRA and HOME Funds. If requirements are not met, the family could lose assistance and be dropped from the Program.

Examples of family objectives could include:

- Requirements can be established that a parent(s):
 - Be involved and monitor the child's (children's) education.
 - Ensure the child (children) attend(s) school.
 - Enroll the child (children) in after-school counseling, tutoring, etc.

- Restrictions could be placed on the parent(s) to:
 - Receive treatment for drug issues.
 - Deal with criminal background issues.
 - Secure a job.
 - Attend classes, etc.
- GJHA's Next Step Program serves homeless families with children enrolled in Mesa County School District No. 51. Referrals are made through School District personnel, and GJHA staff provides case management for these families.
 - By using TBRA and HOME Funds, it allows a team of individuals to jointly meet and evaluate families to determine candidacy. This team includes GJHA and its partner organizations of Latimer House, Mesa County School District No. 51, Grand Valley Catholic Outreach, Homeward Bound of the Grand Valley, and the Mesa County Department of Human Services.
- Survey data shared showed that a positive impact is being made in the lives of families.
- Next Step is a two-year transitional program and families can move to the HCV Program if recommendations made by the case manager are achieved.
 - Part of the overall struggle is for other PHAs to issue a Voucher to families after completing the Program.

Lori Rosendahl said GJHA's Next Step Housing Program received a full funding recommendation.

As a side note, Barbara Traylor-Smith said in the past, programs such as homeless shelters received Community Service Block Grant (CSBG) funds. A state-wide shift is now being experienced on how those funds are spent. The Grand Junction City Council (City Council) is currently working on a childhood reading program to get children proficient at the third grade level.

5. Consent Calendar

The Consent Calendar consisted of the following items:

- *Request Formal Acceptance of the GJHA Audit Ending 9-30-15.*
- *Request Formal Acceptance of the Audit for the LIHTC Properties Ending 12-31-15.*
- *Request Approval to Release General Fund Reserves for Ratekin Tower and Crystal Brook Townhomes and Settlement of Walnut Park / Crystal Brook Residual Receipts Note.*

- *Resolution No. 2016-06-02 Designating the Location for the Posting of The Notice of Meetings and Establishing a Meeting Schedule for the Board of Commissioners of the Grand Junction Housing Authority.*
- *Request Adoption of Minutes for May 17, 2016.*

With no questions / comments, a motion by Tim Hudner, a second by Tami Beard, and a unanimous vote adopted the Consent Calendar.

6. The Highlands Update

Jody Kole's update on The Highlands 1 included the following highlights:

- Site work began in early April with significant progress made the last two months.
- The storm drainage lines are complete.
- Relocation of the underground utilities is complete.
- The building is L shaped. The east / west leg of the building foundation is formed and poured. The structural reinforcement and post tension tendons are being installed. The northeast / southwest leg of the building will be poured this week.
 - A different framing subcontractor replaced the original framing subcontractor working with Shaw Construction (Shaw). This company will be doing panelized construction and will be shipping the panels by truck to the site. Exterior walls will be raised very quickly.
- Construction is one week ahead of schedule at this time.
- Challenges encountered included:
 - As previously discussed, GJHA staff chose the traction elevator manufactured by Otis Elevators because it is more economical, quieter and quicker. Legal counsel for GJHA and Otis are meeting to resolve document agreement language that is predisposed in favor of Otis.
 - The storm drainage issue is still a concern, but not necessarily because of the GJHA property. The engineer for Shaw calculated the storm drainage detention / retention solution for The Highlands but did not account for storm drainage from the neighboring property to the west. Historically, some storm water flows onto the GJHA site from this property. The large, old and somewhat unsafe elm trees on the west side of the property created not only a property delineation but a somewhat effective storm drainage barrier. With the removal of those trees, the barrier disappeared.

Discussion ensued and Jody Kole addressed the following topics:

- A berm could be a solution if verification could be obtained of either the storm drainage flowing or not flowing from the neighboring property to The Highlands property for at least 18 years.

- It is believed that an easement may have been created at some time, and an asphalt curb existed between the two properties. The curb probably extended the full length of the property, but only the south one-third of the curb exists today.
- There is a high point on the north / south line of the neighboring property about two-thirds of the way into the property from the north end. It is believed one-third of the storm drainage flowed to the south and two-thirds of the storm drainage flowed north and east toward GJHA's property and to Bookcliff Avenue.
- Having owned the property for roughly 50 years, it seems the prior owner did not actively approve or disapprove of the storm drainage flowing in any direction.
- Shaw's engineer will be surveying this adjoining property and calculating accurate runoff and proposed solutions.

In response to Chris Launer's question pertaining to receipt of GJHA's earned portion of the Developer's Fee for The Highlands 1, Jody Kole replied:

- GJHA received \$1.49M in cash, representative of \$500K for the first installment of the Earned Developer's Fee and reimbursement of \$942K in pre-development costs previously expended.
- The next installment will be earned upon the completion of construction. Additional installments are due upon meeting other milestone requirements.
- Assuming the Contingency Budget will be expended, \$250K will be deferred at the end of construction.
- The Total Developer's Fee for the project is \$1.6M.

To answer Chris Launer's question, Jody Kole said the plan is to proceed with The Highlands 2 Application for Tax Credits in 2017 if the Colorado Housing and Finance Authority's (CHFA) Tax Credit schedule for allocating the 9% LIHTC for 2017 remains the same as this year. A Letter of Interest will be submitted around May 1, 2017 with the Tax Credit Application submittal by June 1, 2017.

Jody Kole recommended advancing work on the design and pricing of The Highlands 2 this fall to be in a "ready position" to apply for the Tax Credits.

Barbara Traylor-Smith inquired if City Council would be asked for local grant funding for The Highlands 2, as City revenue sources are scarce. Jody Kole explained that local funding participation is necessary as per the State Division of Housing (DOH). In the past, City funding helped pay the City's Development Impact Fees on GJHA's behalf.

Within the next 90 days, Jody Kole said that a request will be submitted to the City Planning Commission and City Council to approve rezoning of the development for 132 resident units. The request is to convert excess amenity space into three or four more resident units. The building size will remain unchanged, and no additional parking spaces will be required.

7. Other Business

Property at 1011 N. 10th Street

An update given by Jody Kole on the GJHA property at 1011 N. 10th Street follows:

- Furnishings are being utilized wherever possible at 8 Foresight Circle.
- Prepping the building continues prior to listing it for sale.
 - Carpets will be cleaned.
 - Nail holes, etc. will be patched and painting will be done.
- Requesting the assistance of the City's Purchasing Department to retain a realtor is a strong possibility.
 - Anticipate the property will be on the market for sale by early July.
- Proceeds from the sale will be used to help pay down the construction loan on 8 Foresight Circle.
- The latest appraisal was roughly four years ago.
- This property is pledged as partial collateral for the purchase of the Monument Business Center (MBC).

Monthly Highlights

There is a section in the Board Packet identified as Interesting Readings. Informational reading material is found in this section for Board review. Beginning with the June 21, 2016 Board Packet and continuing forward on a monthly basis, a highlight featuring a GJHA program, property, event, etc. will be included in this section of the Board Packet. The June highlight is titled "Staff Consolidated into One Location" and focuses on GJHA's combined office at 8 Foresight Circle.

Hilltop Bash

GJHA tries to support various community partners and community activities from time to time. The annual Hilltop Bash will be held on Friday, July 29, 2016 at the CMU Meyer Ballroom. The group decided to sponsor a table for GJHA Board Members and Executive Staff. Board Members will review their schedules for participation.

Board Meeting Agendas for July and August

Staff identified several Agenda topics for the July 25, 2016 and August 22, 2016 Board Meetings. With brief discussion, the Board decided to schedule a longer July Board Meeting. The majority of the meeting will be dedicated to Tax Credit Properties. The consultant's recommendations on the performance of the GJHA Tax Credit Properties compared to the investors' expectations will be shared. For the benefit of new Board Members as well as a refresher for the rest of the group, a learning session will be conducted on tax credit properties and the mechanics of how the properties function.

8. Adjourn

With no further business, the regular June Board Meeting adjourned at 6:08 p.m.

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