

Minutes

Grand Junction Housing Authority
Board of Commissioners' Meeting
Special Meeting

June 1, 2018 8:00 am

8 Foresight Circle

1. Call to Order

Grand Junction Housing Authority (GJHA) Board Chair Tim Hudner called the Special Board Meeting to order at 8:05 a.m. on Friday June 1, 2018. Board Members present represented a quorum and included Chris Launer, John Howe, Tami Beard, and Phyllis Norris. Ivan Geer did not attend. Others in attendance included GJHA Chief Executive Officer Jody Kole, Chief Operating Officer Scott Aker, Controller Amy Case, Human Resource Director Krista Ubersox, Asset Manager Suzy Keith, Housing Choice Voucher Supervisor Racquel Wertz, Supportive Services Director Margaret Ellrick, and Executive Assistant Jane Hart.

2. Next Step Program / Rapid Re-Housing

To give background, Scott Aker explained that the Next Step Program originated with GJHA in 2006 as a partnership between the Housing Authority, Mesa County Department of Human Services (DHS,) the Mesa County Workforce Center, the School District #51 REACH (Resources, Education and Advocacy for Children who are Homeless) Program (District 51) and the Colorado Division of Housing (CDOH). CDOH was asked to provide rental assistance funds to homeless families referred to GJHA by District #51. DHS offered Temporary Assistance for Needy Families (TANF) resources to provide intensive case management, through GJHA, for these families. Since then, the Next Step Program has been serving one cohort, of approximately 30 families, every two years. Recently, CDOH has implemented a program shift to a Rapid Re-Housing model, to serve a larger number of families within shorter time frames. Using this model, families are to be quickly stabilized, referred to other community services, and moved onto Housing Choice Vouchers more quickly. GJHA staff are asking for Board approval to apply to CDOH for Next Step funds under this new program model.

Margaret Ellrick continued; the timeline will be shortened with a goal to graduate families from the program in nine months to a year, although families will be able to stay in the program longer when necessary. As case management will be much more intensive, GJHA will commit to working with 15 families at a time, revolving them through according to their individual needs and ideally, serving 45 families in a two-year period rather than 30. Margaret also noted that District #51 is aware the referrals they make must be for families that GJHA staff can work with under the new model. District 51 knows these families well and are prepared to make good referrals.

Another challenge will be to find landlords willing to commit their properties to high-risk, short-term renters. A few have agreed to house families for this program but the most difficult to house, staff believes, will be the younger participants, ages 18 to 24, who are still in school.

Racquel Wertz added that no additional vouchers have been made available to meet this increased demand. The Rapid Re-Housing grant will add some administrative funding for eligibility staff and inspectors, and GJHA will receive funding for the temporary housing coupons. GJHA will be reimbursed for rent paid to landlords, up to the grant amount. When asked by the Board, Racquel confirmed these changes are driven by CDOH.

Chris Launer suggested that staff look into the total cost to support a family with children clear through to graduation and consider and contrast the cost of turning families over through the program. Jody Kole expressed this may be the best approach to ending generational poverty, as children who experience bouts of homelessness are more likely to be homeless as adults. This Board would like to monitor the program closely and may consider taking further action if the rate of successful outcomes begins to drop.

The deadline to submit the application for this grant is Monday, June 4th.

John Howe made a motion to approve *Resolution No. 2018-06-01 authorizing GJHA staff to apply for Colorado Division of Housing funding for the Next Step/ Tenant Based Rental Housing program for the 2018-2020 program Cycle*. With a second by Phyllis Norris and unanimous vote, the motion passed.

3. New Mainstream Vouchers Available

Racquel announced that HUD will be distributing funds for Mainstream Housing Choice Vouchers to 40 agencies across the country for non-elderly, disabled households (NED). Eligible households will be those who are currently homeless or near homeless, currently institutionalized or likely to be institutionalized or returning home from an institutional setting. In addition to housing these individuals or families, HUD requires agencies to partner with other organizations within the community to provide home renovations, case management, and other all-around services. Funds will only be provided, however, for direct rental assistance and administrative fees per the HUD formula.

GJHA would like to request funding for 50 of these vouchers. GJHA is currently funded for 150 NED Vouchers, oftentimes used for individuals who receive the types of wrap-around services required in the current round of funding availability. The Waitlist for NED Vouchers includes 572 households. It has been more than 13 years since new NED Voucher funding has been released. GJHA staff has spoken with

other community service providers and all are excited about this opportunity. They have all agreed to submit support letters stating they will help to provide services.

If these vouchers are awarded, GJHA will pull from the current Wait List but needs the Board's approval to add the preferences, described above, to the new vouchers. Amy Case pointed out there will be stiff competition for the vouchers and several rounds of distribution. If GJHA isn't awarded in the first round, applications will be submitted for following rounds. GJHA is also supporting the Colorado Division of Housing in its application asking for \$5M, as a portion of the award would be expected to be used in Mesa County.

A motion by Chris Launer, a second by Tami Beard, and a unanimous vote approved *Resolution 2018-06-02 authorizing GJHA Staff to apply to the U.S. Department of Housing and Urban Development for 50 new Mainstream, Non-Elderly Disabled Housing Choice Vouchers under HUD Notice of Funding Availability FR-6100-N-43*

4. Administrative Reserves for Housing Assistance Expenditures

Racquel informed the Board that GJHA is on target with the Housing Choice Voucher program to be fully leased as of December 1, 2018. Given increased per-unit costs and continued uncertainty with HUD proration, staff anticipates HAP (Housing Assistance Payment) expenditures will be over-spent by approximately \$148,000. GJHA Voucher Administrative Reserves can be used to cover this shortfall. The Board is being asked to approve a Resolution authorizing the use of up to \$300,000 in Administrative Fee Reserves to support full leasing. This level of commitment should provide a cushion to the estimate, since it is being made several months in advance and the per unit costs or the proration factors could still change. Without the Board's approval, HUD's Shortfall Prevention Team will provide GJHA significant, unnecessary oversight to avoid over-spending and thereby avoid terminating families. A signed Resolution will release GJHA from this oversight.

The strategy behind this is the same as last year; GJHA will try to maintain full lease-up of Vouchers to maximize HAP funding allocations in the coming budget year. For the current fiscal year, approximately \$80,000 in additional HAP funding was earned due to the aggressive approach to fully lease up last year. There is roughly \$598,000 in Administrative reserves now.

When asked what other obligations might need to be met from the reserve account, which is highly restricted to serve Voucher holders, Amy answered that there are no pledges against the Reserves. These funds can be used for things like a vehicle for the Voucher team or technology upgrades, if those costs aren't fully covered by the regular Administrative Fee allocation GJHA receives.

While not a suggested long-term strategy, leveraging additional federal dollars to keep funding levels high will maximize the number of families served which, in turn, will increase the administrative dollars received by GJHA.

Tami Beard made a motion to approve *Resolution No. 2018-06-03 authorizing GJHA staff to apply for Colorado Division of Housing funding for the Next Step/ Tenant Based Rental Housing program for the 2018-2020 program Cycle*. With a second by Chris Launer and unanimous vote, the motion passed.

5. Proposed Change to Fiscal Year End

Amy stated the GJHA Agency Fiscal Year End (FYE) is currently October 1 through September 30. Tax Credit property audits and the HUD Voucher Program are on a calendar year, as are the grants for Family Support Services and Walnut Park Service coordinator. The Finance Committee has recommended a change to the agency fiscal year to a Calendar Year to bring all programs and tax credit property budgets into alignment.

Amy spoke with staff at HUD, the HAB/MRI Voucher Program software provider, and another Colorado Housing Authority with the same software who has already gone through a FYE change. The message has consistently been that this change is “not a big deal,” other than in the first conversion year, and it will be well worth it. The change will improve efficiencies and clarity of financial reporting. There could be a one-time added expense of having auditors do a short, 3-month audit for Ratekin Towers as it is the only property that needs to be entered separately into the REAC system. After research and discussion, GJHA staff highly recommends changing the FYE to a Calendar Year.

During the transition, GJHA staff will be able to show the Board a YTD budget. It will look unusual, but staff will work to make any financial statements and reports clear so the Board will know that finances are where they need to be. This potential FYE change was mentioned in the RFP for new audit accountants.

Chris Launer made a motion, with a second by John Howe, to approve *2018-06-04 approving, effective October 1, 2018, the change of the Grand Junction Housing Authority’s fiscal year from an October 1 – September 30 year to a January 1 – December 31 calendar year*. The motion passed with a unanimous vote.

6. Other

Update on Highlands

Jody said construction is going well with the first floor fully framed, the second floor almost fully framed, and steel is going up for the third floor. The roof should be going on in about three weeks.

There was a slight delay when an inspector for Mesa County determined the steel beams needed to be treated with intumescent (fire-retardant) paint. This issue has been addressed and overall progress is again being made. An updated, final delivery schedule is expected approximately three weeks from now.

CHFA Loan Conversation

Jody informed the Board that she and GJHA Attorney Rich Krohn met with Cris White of CHFA to discuss the decision GJHA made to move away from CHFA financing for Highlands 2. Mr. White expressed sincerity as he listened and assured them that remedies will be made.

Oakleaf Update

Scott Aker said that GJHA Attorney Jill Norris has been working to ensure the terms of the Oakleaf contract will meet the intentions of the Board to protect the Housing Authority as much as possible. It is very close to being finished. The intention is to bring the final language to the retreat or the next regularly scheduled board meeting along with an analysis to support that entering into this agreement still makes economic sense for the organization.

7. Adjourn

With no further business for the Special Meeting, a motion was made by John Howe and seconded by Chris Launer to Adjourn. With all in favor, the meeting was adjourned at 9:15 am. Anyone who chose not to stay for the Finance and Audit committee was excused.