

MINUTES

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

Monday, April 23, 2012
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order

The April Board Meeting of the Grand Junction Housing Authority (GJHA) was called to order by Vice Chair Chris Mueller at 11:33 a.m. with the following individuals in attendance: Board Members Scott Aker, Teresa Coons, Tim Hudner, and Paul Marx; Staff Members Executive Director Jody Kole, Operations Director Lori Rosendahl, Finance Director Cheryl Sweers, and Executive Assistant Kristine Franz.

With Jody's request, Agenda items were slightly rearranged.

2. Discuss the Expansion of the Housing Counseling Program

Referencing the April 18th memo regarding the proposed expansion of the Agency's U.S. Department of Housing and Urban Development (HUD)-Approved Housing Counseling Program, Lori identified the following funding resources and discussed proposed plans.

With the multi-state financial settlement between major mortgage servicers and the Attorney General's Office, the State of Colorado will allocate up to \$5.3 MM to housing counseling agency support over the next three years, a portion of which the GJHA Housing Counseling Program will receive. In addition, funds from HUD Housing Counseling Grants and National Foreclosure Mitigation Counseling Round 6 Awards are anticipated. Using these financial resources, staff proposes expanding this Program with a staffing plan of three full-time counselors, one full-time administrative assistant, and one full-time lead counselor.

Counseling services to Mesa County residents will remain the first priority, with services also offered to residents in a total of nine counties. Support to Garfield County will increase from last year due to the County's financial commitment to the Program. As schedules/plans solidify, Intergovernmental Agreements with these various counties will be presented to the Board for approval.

3. Dashboard Presentation of Quarterly Financial Statements Ended March 31, 2012 for all GJHA Programs, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista

With prior distribution of the Summary Dashboard Reports for the Two Quarters Ending March 31, 2012, Cheryl conducted the financial review addressing individual programs:

General Fund

- With the pay back of \$41K+ from the Home Ownership Program, the pay back of \$28K from Courtyard Apartments, and \$45K in 2011 Surplus Cash from Linden Pointe, the General Fund is in good shape.

Acquisition and Development (A & D)

- Arbor Vista Apartments paid down one of its soft loans of \$59K+.
- Due to prioritizing of “getting the work done”, a signed contract isn’t in place with Shaw Construction or Oz Architecture. With all parties in agreement, work is being done in anticipation of the Tax Credit Award and without a contract or payment. Consequently, accumulated costs aren’t represented in the financials presented today. It is anticipated the Shaw contract will be two phases – predesign/costing phase and construction phase.

Monument Business Center

- Vacancy loss and higher than anticipated costs to provide good data and internet lines to clients contributed to the continuing operating deficit at the Monument Business Center.

Non-Subsidized Properties

- Lincoln Apartments are showing a healthy performance due to a low vacancy rate and a lack of a mortgage.
- Due to a higher than anticipated vacancy loss and high rehab costs for vacated units, Bookcliff Apartments have a lower than anticipated income.
- Courtyard Apartments’ Net Operating Income (NOI) is close to budget. A higher than anticipated vacancy loss is due to bed bug issues that now have all been resolved. Currently, Courtyard is fully leased. The General Fund has been reimbursed \$28K from grant money received from the City of Grand Junction (City) to replace the railings/stairs.
- The houses haven’t required any support from the General Fund this fiscal year. The Santee house required more rehab in both time and money than normal.

HUD Subsidized Properties

- In general, the properties are doing slightly better than budget.
- Ratekin Tower's NOI is lower than anticipated but still has a comfortable Operating Cash Balance. High legal costs are attributed to the refinance, and will be reimbursed by Colorado Housing and Finance Authority (CHFA) upon closing, which is scheduled for later this month. The bed bug issue is settled with the use of the "bed bug dog" and chemical treatment.
 - As a side note, staff research found it would cost \$50K to purchase the thermal equipment used to exterminate bed bugs.
 - By the end of June, tenant smoking extensions will expire and Ratekin Tower will be a smoke-free facility.
- Walnut Park Apartments is doing well with fewer than anticipated maintenance expenses.

Tax Credit Properties

- Overall, the properties are doing well.
- Crystal Brook Townhomes' maintenance costs are low due to reduced vacancies.
- Linden Pointe Apartments' cash decreased due to a \$66K payment of 2011 Surplus Cash to GJHA to pay down a soft loan. The unfavorable variance of the NOI is due to rehab costs for vacated units and unanticipated water leaks.
 - The Board was advised that through investigation of the water leaks, it was discovered that an undetermined source in the soil is eating way at the units' plumbing PVC pipes. To date, six units have experienced leaks. To further diagnosis the problem and recommend a solution, expertise in this area will be solicited.
- The Operating Cash Balance for Arbor Vista Apartments is lower than normal because of the 2011 Surplus Cash payment of \$73K+ paying down the interest on the deferred Developer Fee.
- To answer Tim's question, yes, savings are being seen in lower heating costs due to the energy efficiency improvements at various properties.

Per Unit Maintenance/Operating Costs and NOI Information

- Schedules revealed no surprises. Brief discussion ensued regarding the future of Bookcliff Squire.

Vouchers

The Cumulative Fiscal Year Dollar Utilization graph indicates the Program is overspent at 110%. However, as previously discussed, approximately \$450K was received in September, which included Housing Assistance Payments (HAP) for the entire calendar year but was recorded in the prior fiscal year. This fact is reflected in the October, November, December Fiscal Year Dollar Utilization, which is very high and then drops significantly in January.

Lori advised that with plans to renovate the front of the 10th Street Voucher Service Center, the Voucher Budget will change as final costs aren't know at this time. Reserves are available for this expense.

Supportive Services

The Program continues to operate very close to a zero NOI.

Home Ownership Services

The General Fund was reimbursed the \$41K+ in needed support to the Home Ownership Program, bringing the balance owed to the General Fund to zero. With more awarded grants than previously anticipated, the Program continues to grow.

TBRA/Next Step

The Tenant-Based Rental Assistance (TBRA)/Next Step Program just received \$24K in Temporary Assistance for Needy Families (TANF) funding from the Department of Human Services (DHS). The current grant for TBRA is coming to a close; however, a new grant application is pending with the Colorado Division of Housing (CDOH).

Family Self-Sufficiency

The NOI is better than budget, but still negative. Some of the \$14K Operating Cash Balance is being used to cover the negative NOI.

Ratekin Service Coordinator

This Program is a self supporting program through Ratekin Tower and operates very close to budget. This Program receives 100% of its funding from Ratekin Tower's HUD Contract.

Housing Advocate

Several grants have been applied for and anticipated positive responses are expected shortly.

Smoke-Free Coordinator

The Smoke-Free Coordinator Program has been extended until the end of September, at which time the scope of work will be accomplished.

Summary of Cash Activity

- The General Fund is comfortable, showing a figure of \$769K+.
- The Sale Proceeds Line of the Cash Balance Report is showing \$1MM+.

The Quarterly Financial Statements Ended March 31, 2012 for all GJHA Programs, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista were accepted as presented with a motion by Teresa, a second by Paul, and a unanimous vote.

4. Adoption of Resolution No. 2012-04 Adopting Revised Budgets for Fiscal Year Ending September 30, 2012 and Calendar Year Ending 2012

Cheryl noted the Revised Budget included only significant corrections for budgeting errors, revisions of changes in grants/budget authority and additional out of the ordinary expenditures. There are some deviations from the original Budget that aren't part of the Revision as they are either insignificant or the final costs aren't know at this time.

With most items previously discussed during today's review of the Quarterly Financial Statements and with the examination of the financial notes on each Program, *Resolution No. 2012-04 Adopting Revised Budgets for Fiscal Year Ending September 30, 2012 and Calendar Year Ending 2012* was adopted with a motion by Paul, a second by Scott, and a unanimous vote.

5. Update on Village Park Development

Teresa reported that citizen telephone calls and e-mails to City Council Members regarding their concern over the Village Park Development have diminished. As traffic issues on Patterson Road are a citizen concern, Teresa shared that Acting City Manager Rich Englehart has been requested to evaluate and possibly reprioritize traffic projects in that area.

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Paul stated he was in attendance at the April 18th City Council Meeting, and he reported on the citizens' comments/concerns regarding the Village Park Development expressed to Council Members during the Citizen Comment Period of the Meeting.

Scott and Tim suggested that a study illustrating property value results over a certain period of time that have neighboring developments such as Village Park might be considered and solicited by an outside firm in the future.

Jody reminded the group that the Village Park presentation to the CHFA Tax Credit Allocation Committee will be May 10th at 11:15 a.m. She also stated there is \$10MM to be allocated in two rounds and indications are that \$5-\$7MM will be allocated in the first round.

- Note: Teresa, GJHA attorney Rich Krohn, and Jody were co-presenters of the Village Park Development presentation to the CHFA Tax Credit Allocation Committee and reported the project was well received. It is anticipated that a decision will be received the week of May 21st.

In answering Paul's question regarding when were previous Village Park neighborhood meetings held, Jody summarized the GJHA hosted meetings with dates and invited audiences. These neighborhood meetings were a courtesy, as there are no mandatory meeting requirements.

Jody reported that she recently worked with the City's Communication Officer on a newspaper column sponsored by the City entitled *Glad You Asked* that is routinely published in the Free Press and the Daily Sentinel. The Village Park Development was the topic.

Scott departed at 12:55 p.m.

6. Other Business

Alternate Date for May Board Meeting

Due to the Memorial Day Holiday on the regular May Board Meeting date, the Board Meeting will be rescheduled to May 29th at 11:30 a.m.

Downtown Housing Effort

Jody stated that the Downtown Development Authority (DDA) Director Harry Weiss called regarding the possibility of terminating the Downtown Housing Effort (DHE), which is the Joint Venture between the GJHA and the DDA. The Joint Venture was

created to improve and expand housing in the original square mile of Grand Junction and has approximately \$400K in its reserve account, which has accumulated through the years. The DDA is now considering requesting its share of the joint funds for its own investment purposes. It is possible that DDA representatives will attend a future GJHA Board Meeting to request the closure of the DHE.

Board Training Opportunities

The Board was told this year's Budget includes funds for Board training opportunities. A list of upcoming conferences will be provided for their review.

Farewell to Finance Director Cheryl Sweers

The Board and staff extended their appreciation to Cheryl for her years of dedication and service to the Housing Authority as she is retiring April 27th. Best wishes, Cheryl.

7. Adjourn

With no further business, the April Board Meeting was adjourned at 1:05 p.m.