

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Rescheduled March

Friday, March 30, 2012
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order

Board Chair Chuck McDaniel called to order at 11:35 a.m. the rescheduled March Board Meeting of the Grand Junction Housing Authority (GJHA) with the following individuals in attendance: Board Members Scott Aker, Teresa Coons, Patti Hoff, Tim Hudner, and Christian Mueller; Staff Members Executive Director Jody Kole, Operations Director Lori Rosendahl, Executive Assistant Kristine Franz, and GJHA attorney Rich Krohn, with Dufford, Waldeck, Milburn, and Krohn. Paul Marx arrived later.

2. Adoption of Resolution No. 2012-03 Approving the Application for the Colorado Division of Housing Grant Assistance for the Tenant-Based Rental Assistance Program, aka The Next Step Housing Program

The Tenant-Based Rental Assistance Program, also known as The Next Step Housing Program, was created in collaboration with the Mesa County School District 51, Mesa County, Mesa County Department of Human Services and the Workforce Center, and the GJHA to provide safe and affordable housing for very-low and low-income homeless families with school-age children. GJHA has successfully operated this Program for the past six years.

With the approval of Resolution No. 2012-03, GJHA Staff is submitting an Application today requesting funding from the Colorado Division of Housing (CDOH) to operate the Next Step Housing Program for the next two years for thirty families including security deposits. To answer Chuck's question, \$570K in Housing Assistance Payment (HAP) funding and \$27K in security deposit assistance is being requested.

A Public Hearing was held today at 11:00 a.m. at the Agency's main office in accordance with the requirements of the Grant Application. No one representing the general public was in attendance and no written comments were received prior to the Public Hearing.

With a motion by Teresa, a second by Patti, and a unanimous vote, *Resolution No. 2012-03 Approving the Application for the Colorado Division of Housing Grant Assistance for the Tenant-Based Rental Assistance Program, aka The Next Step Housing Program* was approved.

Paul arrived at 11:45 a.m.

3. Follow-up to Strategic Planning Retreat

Chris distributed a slightly modified draft from an earlier e-mailed version of the Balance Score Card document, which was developed during the Board Strategic Planning Retreat in January.

This Score Card is a matrix showing the Housing Authority's SWOT (strengths, weaknesses, opportunities, and threats) Analysis with corresponding categories of themes, objectives, measures, targets, and initiatives. Documented themes were previously identified and ranked in order of "strong or desired" during the Board Retreat.

Proposing a document review today in lieu of scheduling a separate meeting, Chris led discussion.

Scott questioned the reality of achieving the identified strategic themes given it is already three months into the year. Topics concerning overloading staff, diffusing the focus, not losing sight of goals, etc. emerged and were discussed. Chris further explained how a theme might be outlined and divided into measurable steps, making success more attainable over a longer time period.

To answer Teresa's question, Chris stated that the Strategic Plan is a three to five-year Plan, with annual reviews.

In reviewing the strategic themes, Scott suggested that theme number 2.3 be re-titled as *IT Plan* or have a question mark included in the title instead of just *In House IT Office*. He also requested that, possibly as a footnote, the Balance Score Card Document be identified with its three to five-year timeframe, such as 2012 – 2017. Jody asked for a second objective column titled Year Number Two, as next year's budgeting process is already underway and considerations will need to be made.

Chris noted that if the previously discussed Incentive Compensation Plan is adopted in the future, the Compensation Plan pays for the outcome or results, and not the activities, so concrete object measures are important.

The Board was asked to concur with the recommendation that the next step in the process would be an Agency management-level meeting whereby Jody and Lori will define general theme objectives that are result-oriented. As the process moves forward, input will be necessary from Jody and Lori for the measure and target numbers, as well.

With the group in agreement, Chris, Jody, and Lori plan to meet April 5th for the first management-level meeting to begin to define general theme objectives that are result oriented.

New Vision and Mission Statements were considered during the Strategic Retreat, and the Board agreed to proceed with adopting the following Statements, at least for the short-term:

Vision Statement - *Everyone in Grand Junction lives in safe, affordable housing.*

Mission Statement - *The Grand Junction Housing Authority advocates for and provides safe, suitable housing and support to the residents of Grand Junction.*

The group extended their appreciation to Chris for guiding the group through the Retreat planning process using the Balanced Score Card approach.

4. Financial Update on Housing Choice Voucher Program

With the distribution of three documents, Lori began her financial update presentation on the Housing Choice Voucher Program.

Because funds for Admin Fees and HAP are received separately from the U.S. Department of Housing and Urban Development (HUD), projected financial reports were divided into an Admin Fees Report and a HAP Report for easier review and explanation.

The Admin Fee Report, based on Fiscal Year 2012, illustrated the first three months of the year at the 83% pro-ration rate and the last nine months at the new HUD pro-ration rate of 80%. Budgeted numbers versus Actual Expected figures were reviewed showing a gap, prior to cost cutting, of \$27K, with savings from cost cutting showing \$28K. Year-to-date Budget and Expenses were discussed showing a current savings of \$1242. Year-to-date Unrestricted Net Assets (UNA) and Projected Loss numbers were discussed showing Projected UNA at Fiscal Year End of \$279,226, which is close to original Budget figures. Further explanation noted that a prior-period adjustment of \$27K will need to be made because of the following “balancing act” scenario. Prior to its final release of the Voucher Budget pro-ration of Admin Fees, HUD advised there is a certain amount of money to spend in HAP and to lease up however many families to the established cap. Any cost overage, however, will become the responsibility of the Agency using its own funds. GJHA leased 100% of the numbers it was entitled to, with a cost overrun of \$27K, which was covered with prior year HAP reserves. GJHA staff recognized that conservative planning could prevent the overages but could also result in a reduction of future funding, as HUD’s allocation calculations are based on the previous year’s performance numbers. The “balancing act” is a risk at best.

The HAP reporting is done both by fiscal year, for the GJHA Board, and by calendar year, for the Section Eight Management Assessment Program (SEMAP).

Reviewing both fiscal and calendar year projected reports, the HAP Fiscal Projected Report highlighted the Available Net Restricted Assets as of 9/30/11 at \$665K. The Available Net Restricted Assets as of 2/29/12 showed \$496K, and was due to using the set-aside funds to make up for the difference in Budget Authority for October-December. Projected Net Restricted Assets through 9/30/12 is \$563K.

Lori mentioned that HUD will allow only one month of HAP funds in Restricted Assets, with excess funds recaptured. Tim asked what could be done to spend down the figure to which Lori explained alternatives that would change the per unit cost, such as income targeting and stop processing interims, which is a mid-month client adjustment.

Discussing the HAP Calendar Projected Report, Lori stated the HUD-awarded per unit cost of \$476 is a vital figure. GJHA's actual per unit cost is \$470 and if that figure increases above \$476, then the number of families that GJHA has Vouchers for can't be served. She also noted that these numbers don't include the Veteran's Affairs Supportive Housing (VASH) Voucher allocation for 2011 or the 40 new ones for 2012. Currently, there are 90 VASH Vouchers in use today in the Grand Valley and GJHA ranks third in the nation for lease up of VASH Vouchers.

5. Report from Auditors on Tax Credit Properties' Audit via a Teleconference

Holscher, Mayberry & Company, LLC is the auditing firm for GJHA's tax credit properties Linden Pointe, LLLP and Arbor Vista, LLLP. Mr. Timothy Mayberry, CPA, concluded his on-site financial and compliance review of both properties for calendar year 2011 in January. A review of the audit process and a discussion of the findings were presented to Board Members via a conference call.

There were no adjusting journal entries or significant compliance issues so both properties received a "clean" audit.

Tim noted that the 2010 Surplus Cash distribution for Arbor Vista hadn't been taken at the time of the Audit, but since then the distribution has been taken, thus reducing the Operating Cash figure shown on the financials. In response to Chuck's question regarding a subsequent footnote regarding this cash distribution, Tim responded that Footnote Number 9 on Page 12 of Arbor Vista financials reflects that action. With Jody's request of what is the cash distribution amount for both Arbor Vista and Linden Pointe for 2010 and 2011, Tim replied the figure for Arbor Vista for 2010 is \$41,254. With Tim's uncertainty of the 2011 cash figures, Jody mentioned that Linden Pointe's cash distribution was approximately \$101K.

At this point in the Meeting, Agenda items were slightly rearranged to accommodate participants who needed to depart.

6. Village Park Development Update

Jody informed the group that comments/concerns are being received by Grand Junction City Council Members and GJHA staff from neighbors further away than the adjacent neighborhoods of the Village Park Development. She noted that several neighborhood meetings have been held over the last six years for closest property owners as a courtesy, as there are no mandated hearing requirements.

Teresa spoke to public concerns/comments received by Council Members.

An Open House for the Village Park Development will be held on April 10th from 7:00 – 8:30 p.m. at the First Church of the Nazarene, 2802 Patterson Road, with notices specifically mailed to neighborhoods voicing concerns. With Board Members volunteering to assist with the Open House, Jody distributed an Assignment Sheet identifying internal and external participants and their role in educating the public on the facts of this Development. Individuals representing several City of Grand Junction Departments (planning, police, traffic), the architect and builder, the Mesa County School District #51, and an appraiser will join GJHA representatives in hosting an informative gathering. Village Park Development display boards as well as other informational boards and a photographic scrapbook of GJHA properties will be on exhibit for public review. A preparation meeting is scheduled for 5:00 p.m. April 10th prior to the Open House.

In answer to Scott's question regarding the Village Park Development Tax Credit Application status, Jody stated that Colorado Housing and Finance Authority (CHFA) is reviewing in great detail the Applications. The GJHA's presentation to the CHFA Allocation Committee is scheduled for May 10th at 11:15 a.m.

Rich left the Meeting at 1:15 p.m. and Scott left the Meeting at 1:25 p.m.

7. Review of Chapters 1-5 Revisions of Administrative Plan

Due to time constraints, the review of Chapters 1-5 Revisions of the Administrative Plan will be deferred to a Workshop session. The date and time will be announced at a later date.

Note: The first of several Workshops will be held on April 17th.

8. Other Business

Due to time constraints, Other Business will be addressed at the April Board Meeting.

9. Adjourn

With a motion by Paul, a second by Teresa, and a unanimous vote, the rescheduled March Board Meeting adjourned at 1:27 p.m.