

May Board of Commissioners' Regular Meeting Minutes

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

May 9, 2023 at 5:01 p.m.

1. Call to Order and Roll Call

The May 9, 2023, Regular Meeting of GJHA's Board of Commissioners was called to order at 5:01 p.m. by Rich Krohn, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Rich Krohn, Chair
Bernie Buescher, Vice Chair
Randall Reitz
Tami Beard
John Howe
Bill Johnson

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Shelley Carpenter, Controller
Jill Norris, General Counsel
Krista Ubersox, HR Director
Kevin Sperle, IT Supervisor (Virtually)
Racquel Wertz, Voucher Supervisor
Desirae A. Garman, Paralegal

Tami Beard arrived at 5:08 p.m. after roll call.

2. Welcome to New Board Member

- a. Randall Reitz – one year appointment

3. Disclosure of Direct or Indirect Conflict of Interest

Rich reviewed and reminded the Board and Staff that conflicts of interest, direct or indirect, need to be disclosed. No conflicts were disclosed.

4. Consent Agenda

- a. Notes from February 7, 2023, Finance and Audit Committee Meeting; and
- b. Minutes from February 14, 2023, Board Meeting.

There were no requests to remove items from the Consent Agenda.

John Howe made a motion to approve the Consent Agenda. With a second by Bill Johnson, the Consent Agenda was approved by a unanimous vote.

5. Finance and Audit Committee Report

Bernie Buescher advised the Board regarding the discussion that occurred at the Finance and Audit Committee Meeting. There was discussion regarding accounts for funds above \$250,000 and about protecting GJHA's funds. By building a ladder of treasury bills and mutual funds, GJHA could potentially increase revenues by \$300,000 per year.

Shelley Carpenter presented three (3) investment options and is requesting Board approval of Option 1 based on recommendation of the Finance and Audit Committee. Monthly reviews by Executive Staff will be presented. One individual is required to be designated as the Investment

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Officer. Bernie Buescher advised that the Finance and Audit Committee recommends that Jody Kole be designated as the Investment Officer and would be charged with reporting back to the Board and maximizing interest income.

a. Cash Management Overview

- i. *Approval of Resolution No. 2023-05-01 Resolution Authorizing Investment of Cash Holdings and Appointment of Grand Junction Housing Authority Investment Officer*

Discussion was held regarding Resolution No. 2023-05-01 and the cash management overview. Jody Kole advised that her role as Investment Officer provides internal checks and balances that protect Shelley Carpenter. Randall Reitz asked if there is a reserved amount that is required. Jody Kole responded that there is no internal reserve, but rather a managed internal assessment when cash needs to be moved. We have 60-90 days to see it coming and respond accordingly. These are short-term investments and they do not diminish cash reserves per Bernie Buescher.

Bernie Buescher moved to approve Resolution 2023-05-01. With a second by Bill Johnson, the Resolution was approved by a unanimous roll call vote.

b. Financial Review

Shelley Carpenter advised that for the first quarter, all properties have a positive net income to budget. Increases in cash to GJHA was due to payment of deferred development fees from tax credit properties to GJHA's general fund as well as partial repayment of a loan from for construction costs by 2814.

Scott Aker explained that we are closing in on the end of year 15 for Arbor Vista LLLP. The remaining deferred developer fee owed by Arbor Vista to GJHA may be able to be paid off prior to ending the limited liability limited partnership. Developer fees owed to GJHA are deferred in part to balance the sources and uses and to get the project across the finish line. Arbor Vista is in a stronger financial position, so they have been paying more towards the deferred developer fee. GJHA wants the deferred developer fee to be zero. Rich Krohn reviewed the tax credit process for the Board. Jody Kole added that the outstanding debts consist of must pay debt and soft loan debt. Arbor Vista is expected to pay it down throughout the year. The plan is to pay the deferred developer fee in full prior to the end of the year.

Shelley Carpenter reviewed how the cash must be kept separate between GJHA and the LLLPs.

Bernie Buescher made a motion to approve the Financial Report. Following a second by Bill Johnson, the Financial Report was approved by a unanimous vote.

6. Past Due Rent Review

Krista Ubersox gave an update on the past due report and process. Typically, tenants do not become a concern regarding late payments for the first 30 days. It is the 31 to 60 day time frame where we are starting to work with tenants to get back on track. Krista reviewed the trending past due

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balances. A significant amount of bad debt was written off in April. Krista presented more detail regarding the numbers and advised that all properties are trending higher lately. Clients have been adversely affected by inflation and may have caused them to fall behind in payments, so Staff is tracking and getting the detail. Also, there has been a large number of deaths, additional funds from food stamps have stopped being received, and rent assistance grants are no longer available. If this trend continues, GJHA should consider writing a letter to congressional delegation regarding decreases in Medicaid, SNAP benefits ending, and inflation as it is adversely affecting tenants.

7. Occupancy Report/Vacancy Report

Shelley Carpenter reviewed the vacancy report. The report lists the properties and number of vacant units per property. Linden Pointe and Nellie Bechtel have higher than normal vacancies. Krista Ubersox gave history regarding Nellie Bechtel citing that a number of deaths have occurred, and it is difficult to lease the second-floor units. Linden Pointe's vacancy issues started in September 2022. There have been issues with leasing second floor units; although the eligibility process typically takes 3-4 weeks to complete, on average, it has been taking up to 2 months to complete the eligibility process; there was a fire in one (1) unit in November 2022; and four (4) units were significantly damaged by a Grand Junction Police Department SWAT incident. The units damaged by the fire and the SWAT incident will continue to be vacant until reconstruction is completed.

8. First Quarter Bad Debt Write-offs

The bad debt report for first quarter was presented by Krista Ubersox who outlined the cause of the write offs. Jill Norris advised the Board that VAWA limits what costs can be charged to a tenant when caused by a domestic violation. Maintenance charges were reviewed with an explanation as to why maintenance costs have increased. Some charges showing up as bad debt in the first quarter are from 2022 and result from the timeline of the process. GJHA is currently sending all collections to Aspen Collections. The outstanding balance is \$941,000 and GJHA has collected only \$49,000.

The maintenance team has been working hard to get vacant units turned over quickly, so we are able to get them back online as fast as possible.

9. Voucher Lease Up Discussion

a. Steps to boost utilization in 2023

The report goes through April 2023. GJHA is behind on some types of vouchers. HUD has requested that GJHA's reserves be reduced from \$1 million to \$300,000. 1,700 letters will be sent to households on the waitlist, with the intent to increase voucher utilization and, in some cases, help lease up GJHA properties.

Temporary employees are helping at the front desk with the hope that the regular eligibility staff and housing voucher staff can be utilized for eligibility and voucher issuance. Letters to the first 300 on the wait list will be sent out. Staff purged the wait list in January and may be able to

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clear our waiting list for Mesa County by the end of the year. In addition, GJHA is inviting people to apply for the vouchers. Some vouchers have preferences for homelessness, and those outreach conversations have already happened.

The Family Stability program has already pulled names from the waiting list and Voucher staff is trying to get these families housed. Unfortunately, utilization has been low for this program because of low referrals. As a result, we have lowered the number of available vouchers under this program to 80. In addition, the wait list has been cleared. Staff will be monitoring the response rate, how many are qualifying and how many are leased up. HUD pays for higher lease up higher effective the first of the month and the admin fees received will also increase.

10. Other Business, if any

a. Update on Linden Pointe – L104 Remediation/Reconstruction

L104 was the unit damaged by the fire. The Request for Proposals has been closed and we are working on making contractor selections and getting approval by the insurance carrier.

b. Support for Independence Academy's Change for Change Initiative

GJHA was approached by Independence Academy to do "change for change" to provide Dos Rios Elementary School students with school supplies and food. GJHA issued challenges to some of its vendors and service providers to match GJHA's donations up to \$500. Of the \$7,500 raised by Independence Academy, GJHA raised nearly \$4,000, more than half the total amount.

c. Rich extended an invitation to Randall Reitz to join one of the two standing Board committees consisting of the Finance and Audit Committee and the Real Estate Committee.

d. DOLA and City combined grant of \$3 million. Ashley Chambers at City called and said she received a phone message from DOLA advising her that there may be more money available, and she asked if we want more. We are waiting to see the details as to how much and timing of funds.

11. Adjourn

With no further business or discussion, Bill Johnson made a motion to adjourn. With a second by Tami Beard, and unanimous roll call vote, the meeting was adjourned at 6:09 p.m.

All Board packet documents and documents distributed
during the Board Meeting are retained at GJHA.