

November Board of Commissioners' Regular Meeting Minutes
Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

November 14, 2023 at 5:00 p.m.

1. Call to Order and Roll Call

The Regular Meeting of GJHA's Board of Commissioners was called to order at 5:03 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 (Virtually)
Randall Reitz
Leora Ruzin
John Howe
Bill Johnson

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Sheila Brubacher, Acting Controller
Jill Norris, General Counsel
Ashleigh O'Leary, HR Director
Racquel Wertz, Voucher Supervisor
Desirae A. Garman, Paralegal

Brian Rusche, Development Director, joined the meeting in person at 5:15 p.m. and Ivan Geer joined virtually at 5:17 p.m.

A member of the public, Romany Morm, was introduced by Randall Reitz as attending the meeting.

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Finance Committee Report

Sheila Brubacher reviewed the cash reserve analysis. The unrestricted cash is \$6.3 million and of that, approximately \$4 million has been moved to investment accounts. This leaves \$2.3 million in the operating account. The CD rollover occurs every three months; the next rollover will occur in December 2023. From the investment accounts, GJHA has earned approximately \$65,000 in interest for both GJHA and the Tax Credit properties. Staff will meet tomorrow to look at the dollar amounts in these investment accounts to decide what to do with them moving forward.

All the Tax Credit properties' cash is either restricted or assigned and their CD's currently have a total of \$711,000 on deposit in those accounts.

Arbor Vista reaches its 15th year at the end of 2023, when it will transition to a GJHA owned property.

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Sheila reviewed GJHA's third quarter celebrations.

- One of the Family Self Sufficiency clients graduated and received \$7,800 from their accumulated escrow account.
- The 2022 annual audit was completed, and GJHA received an unqualified opinion.
- The new camera system at the Foresight building was installed.
- The online application and new landlord web portal have been rolled out.
- GJHA hired a new Development Director, Brian Rusche, and a new Human Resources Director, Ashleigh O'Leary.

Combined operating revenue was reviewed and is under budget. The operating expenses are favorable to budget due to compensation savings and vacant positions. Repairs and maintenance are significantly under budget. Professional fees are under budget, mostly in Acquisition and Development, because expenses had been budgeted for the Preservation Property that GJHA did not end up pursuing. Insurance expenses are over budget due to rates increasing nationwide. All Tax Credit properties ended the quarter with a net operating income that is positive to budget and their debt service coverage ratios are meeting their benchmarks. Arbor Vista is the only property that is over budget for utilities, as well as insurance. Sheila indicated she will be presenting budget revisions for those line items.

Bad debt write-offs occurred at the end of September. GJHA has another bad debt write-off planned in November as well as one in December to wrap up 2023. Year to date, the bad debt write-offs total \$139,000. Jill Norris explained the new state law that requires a 30-day notice to evict, so the eviction process is taking longer.

The percentage of past due rents has increased. Scott Aker briefly explained that GJHA has staff reconciling tenant accounts which includes getting tenants entered into repayment agreements, which is one reason for an increase in these numbers. The largest increases in past due rents occurred at Village Park, Arbor Vista, and Linden Pointe.

The Vacancy Report was reviewed. Occupancy at the Tax Credit properties ranges from 94%-98% and the GJHA portfolio ranges from 93%-98%. This puts GJHA's overall annual occupancy rate at 97%. The highest vacancy loss is at Linden Pointe due to the SWAT units that are still in the process of being mitigated and reconstructed.

A motion to accept the Third Quarter financials was made by John Howe and seconded by Bill Johnson. The motion carried unanimously.

4. Discussion on Acquiring Limited Partner Interest of Arbor Vista Apartments - Year 15

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Jody Kole reviewed the next steps for GJHA taking over Arbor Vista as of December 31, 2023. The estimated exit tax is \$36,000, but GJHA's partner, Enterprise, has agreed to waive this exit tax. The property will remain an asset of the Arbor Vista LLLP because of the CHFA loan. Jill Norris reviewed the resolution for the Board. Once the limited partners exit the partnership, GJHA will own 99.99% of the partnership and Affordable Homes LLC will own .01%. GJHA cannot take advantage of the sales tax exemption because the property will still be owned by the LLLP. The loan with CHFA is being kept in place and matures September 1, 2029. GJHA opted to keep these loans in place due to the favorable interest rates. CHFA has approved the exit of the limited partners which will be effective January 1, 2024.

A motion was made by Randall Reitz to approve Resolution 2023-11-02, with a second by Bill Johnson. John Howe asked for confirmation about the purchase price, which would be \$0 to \$30,000. A roll call vote was taken, and the motion was approved unanimously with one abstention by Leora Ruzin.

5. Voucher Discussion: Approving Payment Standards for the Housing Choice Voucher Program Effective January 1, 2024

Racquel Wertz explained that she hopes to bring new payment standards to the Board next month for consideration. GJHA previously received special approval from HUD to use 120% of fair market rents as the standard, but that approval expires at the end of 2023. The new fair market rents were issued, so GJHA will need to approve new payment standards beginning January 2024. Fair market rents did not increase enough to bring us up to 120% of what the fair market rents were, so the payment standards will be going down for some zip codes. GJHA has submitted a request for a waiver to again go up to 120% of the new fair market rents in several zip codes and is awaiting HUD approval. Staff will bring a new resolution to the Board when HUD's approval is obtained.

A motion to approve Resolution 2023-11-03 was made by John Howe, with a second by Ivan Geer. With no further discussion, a roll call vote was taken, and the motion was approved unanimously with one abstention by Leora Ruzin.

At 5:39 p.m. Rich Krohn made a motion to go into executive session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e), and to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a). The motion was seconded by John Howe. A roll call vote was taken, and the motion was unanimously approved.

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Staff and Board members who were present in the executive session were Jill Norris, Ashleigh O'Leary, Sheila Brubacher, John Howe, Bernie Buescher, Brian Rusche, Jody Kole, Scott Aker, Bill Johnson, Rich Krohn, Randall Reitz, Leora Ruzin, and Ivan Geer.

The executive session concluded at 6:29 p.m. and Desirae Garman rejoined the meeting at 6:31 p.m.

6. Other business, if any

Leora Ruzin is a new board member. Her background is in accounting and human resources, and she is currently in the mortgage lending industry. She is the CEO of Ruzin Creative, LLC where she does consulting for mortgage companies.

Rich Krohn explained the different Board committees and reviewed the current committee assignments. He explained that the Finance and Audit Committee has a regular schedule, but the Real Estate Committee does not due to the nature and content of these meetings. Jody Kole explained that the Finance and Audit Committee Meetings have typically been scheduled over the lunch hour on the first Tuesday of every month and the Regular Board Meetings are held on the second Tuesday evening of every month. Staff wanted to let the Board know that if there are conflicts with those times, we can always change them. The committee members were discussed and reevaluated for each committee. It was determined that the meeting times would remain the same.

Ivan Geer may have some public hearings that may conflict with the regular Board Meetings on occasion.

7. Adjourn

With no further business or discussion, Bernie Buescher made a motion to adjourn. With a second by Randall Reitz, and unanimous roll call vote, the meeting was adjourned at 6:46 p.m.

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