

August Board of Commissioners Regular Meeting Minutes

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

August 13, 2024, at 5:00 p.m.

1. Call to Order and Roll Call

GJHA's Board of Commissioners Regular Meeting was called to order at 5:06 p.m. by Rich Krohn, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Rich Krohn, Chair

John Howe

Bill Johnson

Randall Reitz

Leora Ruzin

GJHA Staff:

Jody Kole, CEO

Scott Aker, COO

Jill Norris, General Counsel

Sheila Brubacher, Controller

Ashleigh O'Leary, HR Director

Brian Rusche, Development Director

Kate Schaneman, Business Operations Assistant

Racquel Wertz, Voucher Supervisor

Krista Ubersox joined the meeting in person at 5:25 p.m.

Karen Massey, a resident at Ratekin Towers Apartments was present at the meeting in person

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Consent Agenda

The Consent Agenda consisted of:

- a. Request Adoption of the Minutes of the April 9, 2024, Regular Board of Commissioners Meeting
- b. Request Adoption of the Minutes of the May 16, 2024, Rescheduled Regular Board of Commissioners Meeting
- c. Request Adoption of the Minutes of the June 18, 2024, Rescheduled Regular Board of Commissioners Meeting

With a motion by Leora Ruzin, a second by Bill Johnson and a unanimous vote, the Consent Agenda was approved.

4. Finance Items

Sheila Brubacher reviewed the Second Quarter Financials including GJHA's cash position, celebrations, program and property highlights, bad debt write-offs, vacancy and past due rent.

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GJHA owned properties ended the second quarter with \$2,191,924 in restricted cash, \$2,355,248 in assigned cash, and \$5,652,308 in unrestricted cash. For the tax credit properties, GJHA ended second quarter with \$1,863,317 in restricted cash and \$572,079 in assigned cash. GJHA also has money still sitting in Certificates of Deposit, money market and non-interest-bearing accounts.

The second quarter was filled with numerous activities and celebrations

GJHA hosted their Annual Meeting, staff kickoff event, and launch lunch with staff to celebrate 50 years of affordable housing.

GJHA was awarded Tax Credits for The Current.

The Maintenance Supervisor, Josh Caudill and HR Director, Ashleigh O'Leary participated in the Grand Valley Career and Job Fair which led to filling all vacant Maintenance positions.

GJHA staff collectively donated 1,646 pounds of dog and cat food and cat litter to the Colorado Pet Pantry.

Several staff members attended the Colorado NAHRO conference in Vail, the Housing Credit Connect Conference in Altana, and the SHRM conference in Chicago.

GJHA staff hosted a luau at Foresight for all staff.

GJHA program compliance audits and physical inspections by CHFA were completed and successful.

The annual budget kickoff for 2025 process has begun. The 50 Year celebration expenses will come to the Board as a budget revision.

GJHA Property Operating Revenues are \$12,000 favorable to budget with bad debt write offs at \$83,000. The GJHA General Fund realized an unbudgeted income of \$13,000 from a Pinnacol worker's compensation dividend. GJHA's operating expenses are \$294,000 favorable to budget of which \$172,000 is due to position vacancies, \$55,000 is due to administrative expenses, and \$46,000 is due to professional fees.

The Tax Credit Properties all had a net operating income that was favorable to budget and debt service coverage ratios that exceeded their benchmarks. They were all maintaining strong cash balances and were under budget in operating expenses, mainly in repairs and maintenance labor.

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Bad debt write-offs as of June 30, 2024, were reviewed. In the first quarter, GJHA wrote off \$86,281.83 and in the second quarter \$30,895.47. Leora Ruzin asked where GJHA was at compared to this time last year. Sheila Brubacher stated that the GJHA owned properties had \$40,000 in bad debt in June and she said she would check on the status of the Tax Credit properties.

Sheila Brubacher reviewed the Trending Past Due Report and stated that at the end of the second quarter, outstanding rent increased \$4,068. Year to date outstanding rent has decreased by \$25,468.

At the end of the second quarter, Linden Pointe, Arbor Vista, Highlands 1 and 2814 all have vacancies over 5%. Overall, vacancies have decreased, and the total average occupancy was at 96.71%.

Rich Krohn asked about the debt service coverage ratio for Linden Pointe and if the Board should be concerned about it. Sheila Brubacher explained that back in March it was at .52 and it is gradually getting better. Rich and Sheila discussed that this was likely due to the SWAT units.

Rich Krohn asked for clarification on the Miscellaneous Tenant Charges Income. Sheila Brubacher explained that those are maintenance and other charges that are usually get included in the bad debt write offs. Potential tenant charges arising from a hazard claim do not get included in the miscellaneous category.

Randall Reitz made a motion to accept the second quarter financials with a second by John Howe. The Motion was approved unanimously.

The 2025 budget process has begun. The plan is to have the budget ready to present to the Board for approval at the October Board Meeting.

Scott Aker mentioned that several GJHA staff attended the Doors 2 Success Board Meeting. Staff spoke with the Doors Board concerning the challenges in the Supportive Services arena and the Doors Board members are supportive of the decisions that staff needs to make.

5. Voucher Program Update

Racquel Wertz updated the Board on the Voucher Program. GJHA has done well at utilizing funds and reserves as HUD had requested. This will likely lead to HAP expenditures in 2024 being in the negative for GJHA. Staff is working on bringing that number closer to zero by suspending leasing on the broad categories of vouchers which are currently fully leased vouchers. Mainstream vouchers will continue to be leased up since they come from a separate

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funding source. If there is a vacancy within the Project Based Vouchers, then staff will fill it. VASH and Foster Youth to Independence Vouchers will also continue to be leased up. With all of that being done, the lease up number is expected to come down. At the end of 2024, Vouchers is projected to be negative \$121,000 for HAP expenditures. Racquel Wertz will be applying for special set-aside funding for VASH Vouchers. The good news is that although GJHA will be in the negative at the end of 2024, by the end of 2025 it looks like the numbers will come into the positive. The Short Fall Funding team with HUD will assist GJHA. Scott Aker says that these numbers will evolve since it is only August. VASH Vouchers are getting easier to lease and the requirements are changing. A larger number of households will qualify.

6. Development Update

Jody Kole gave a rundown of how GJHA's award of the State Tax Credits for The Current led to a reduction in the award of Federal Tax Credits. CHFA said that if GJHA does end up needing more tax credits, a request for Supplemental Tax Credits may be submitted. Staff does not like the idea of requesting Supplemental Tax Credits but will do what needs to be done to get The Current financed. A decision was made to apply for a grant from the Federal Home Loan Bank of Topeka. Staff is hoping to get the Resolution approved today so that the grant application can be submitted by Friday, August 16, 2024. Staff hopes to have the Requests for Proposals for debt and equity investors posted mid-September with a response date in mid-October. The plan is to begin construction in first quarter of 2025. If GJHA does get awarded the grant from the Federal Home Loan Bank of Topeka, they would not need to go back to CHFA to request Supplemental Tax Credits.

Bill Johnson made a motion to approve Resolution No. 2024-08-01 *Approving and Authorizing an Application for Grant Funding from the Federal Home Loan Bank – Topeka for the Current*. Leora Ruzin seconded the motion. After a voice vote, the motion was approved unanimously.

GJHA has applied for a Housing Colorado design charrette for the Matchett Park property. The City is eager to partner with GJHA on the 5 acre parcel designated for affordable housing.

Jody Kole wants to pay to bring the Denver-based charrette team to Grand Junction for a preliminary design charrette so they can actually see the property. The Board and Staff agree that this approach would be more effective as long as the other individuals are willing to make it happen.

7. Other business, if any

- a. Board and Staff Status on HUD Training – Jill Norris

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- i. This is a HUD requirement for Board Members. Rich Krohn stated that he suggests designating at least 8 hours to get this completed. Jill Norris and Rich Krohn recommend that key staff to complete it as well.
 - b. Staff received a resignation from GJHA's Property Management Supervisor, Ele Wilson.
 - c. Doors 2 Success Donations – Scott Aker
 - i. 2023 Annual Report was printed and available to all Board Members. Scott Aker pointed out that on the Annual Report there is a QR code that will give Board Members the opportunity to donate to Doors. Scott Aker made a presentation to the Christi Reece Group's Circle Fund and was awarded \$10,000. Doors also received another round of funding from the CHFA Direct Effect Program for \$15,000.
 - a. Calendaring for remainder of 2024 – Scott Aker
 - i. The Board's availability for meetings for the remainder of 2024 was discussed.
 - ii. Leora Ruzin has decided to step off if the Finance and Audit Committee.

8. Adjourn

With no further business or discussion, there was a Motion to Adjourn by Bill Johnson. Following a second by Leora Ruzin, and a unanimous roll call vote, the meeting was adjourned at 6:26 p.m.

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