

Missoula Housing Authority Board
Regular Board Meeting
Wednesday, Apr 16th, 2014

-MINUTES-

Members Present: Fred Simpson, Collin Bangs, Sheila Lund, David Warren,
Monique Casbeer, Betty Zander, Jamie Hoffmann, Sheila Lund

Members Absent:

Staff Present: Adam Ragsdale, Suzy Yancey, Lori Davidson, Jim McGrath, Harlan
Wells, Kevin Schouweiler, Karl Pare, Sam Oliver

Guests Present: Keithi Worthington

- I. Call to Order: The meeting was called to order at 5:32 pm.
- II. Attendance: See Above.
- III. Intro:
None
- IV. Minutes:

-Mar 19th, 2014

Minutes not yet completed. Will be presented at next month's meeting for voting.

Davidson states that this duty is in the process of being handed on to another staff member, and that it will be offered as an overtime position instead of an additional duty in the 40 hour work week.

- V. Conflict of Interest Disclosure:
None
- VI. Commissioner Comments:
None
- VII. Public Comments on Items not on Agenda:
None

VIII. Action Items

Resolution 998- Acceptance of the Capital Fund Grant

Davidson states that this a new requirement for HUD within the last couple years that the board officially adopt by resolution the acceptance of those grants. There are two grants, one is in the amount of \$220,526, and the other is the replacement housing factor grant in the amount of \$27,601, which can only be spent for the replacement of Public Housing Units, and we are using those funds for the new housing on California Street. The \$220,526 is for the modernization of public housing units. Karl worked with the maintenance crew to come up with a list of the items that he wanted to improve.

Pare states with these funds the following work will be performed on public housing projects:

- Tree Trimming
- Irrigation/Landscape
- New Siding
- Cleaning of the back briar patch at Toole St.

Grants are crucial to upkeep of public housing

Hoffmann calls for vote.

Warren motions to approve. Casbeer seconds. None opposed. Motion passed with all in favor.

IX. Staff Reports

a) Rural Development Self-Help Program

Hoffmann brings discussion of MOU for drainage issues in build 1 to the table.

Worthington states that there aren't specific rewrites of the draft intentionally because there are two main concerns with the draft prepared by Nancy Jacobsen at RD and Jeff Jordan and they wrote it with input from Sam and herself.

Worthington's Concerns: The housing authority is not paying for the hiring of an engineer. Some homes might have substantial landscaping or fencing that would interfere. From a liability standpoint she doesn't believe the housing authority is responsible, it should be put on NeighborWorks Great Falls(NWGF) who decided where the site would be located. If MHA is going to proceed with this the MOU should be rewritten to designate NeighborWorks Great Falls responsibilities and MHA's responsibilities so that they are in separate sections.

Hoffmann states he agrees with these concerns.

Worthington states there was a phone call a few weeks ago, where NeighborWorks stated they had the authority to pay for the engineering costs.

Oliver states that the cost will be approximately \$5000 total per lot, but could be up to about \$7500 per lot.

If we decide to contribute, Wells recommends capping it at a dollar amount not a percent. The excavator, who is most likely not liable is volunteering to donate time and materials, and when the final fix comes in, that offer may change which could sky rocket the dollar figure.

Worthington states the MOU is intended to get everyone on board and layout the plan that could then be explained to every individual home owner. This would include the home owners doing some physical labor to assist with the cost. Worthington recommends that we have each homeowner sign indemnification and release that says what we're going to do and that you won't hold us liable for any more claims for this. MHA needs to make it clear to homeowners who is paying for what. If the homeowner doesn't sign the release they don't get any money. Worthington states it is her understanding that the homeowners are supposed to pick the subs, though it is her understanding was that Jeff Jordan was picking the subs.

Davidson states Tom Atkins, who is the head of the state RD program, in one phone call referred to NeighborWorks as the developer of the land in terms of subdivision. Jeff Jordan stated that they wouldn't go forward with getting the engineering plans unless all 10 families signed the MOU. So the engineering hasn't started yet because it's waiting on the MOU. We're looking for direction from you on where we should go with this.

Davidson asks board if MHA is willing to make a monetary contribution on a voluntary basis that has nothing to do with accepting any liability, or we can say our contribution is all the staff time that we're spending on this because we are doing the majority of the work on a daily basis.

Hoffmann asks Worthington if MHA exposes itself by making a modest monetary contribution?

Worthington responds that if MHA makes a contribution and the homeowners turn around and sue MHA, there could be problems with not having the insurance company on notice.

Davidson states she would put them on notice before MHA did this.

Worthington states if MHA gives money, she recommends MHA give it to Neighborworks Great Falls and not the home owners .

Hoffmann states if the federal agency that provided the grant observes that the receiver of the grant is the developer of the property, then the developer should

assume responsibility and have insurance coverage. MHA needs to have Great Falls tell MHA what their insurance company is telling them regarding this claim.

Davidson states Build 2 is going great, with no water issues whatsoever. MHA is sending Harlan and Holly to a RD self-help conference to network with other agencies and find out how they handle issues similar to these. The families are required to have builders risk insurance, it is part of their loan.

Oliver states builders risk insurance is only for the duration of the actual work, and is cut off once they close. Davidson states that homeowners insurance also may cover this kind of issue.

NeighborWorks contracts state that Jeff Jordan has absolute authority on the site for all decision making. MHA was not involved in choosing subs.

Bangs believes there is no doubt after reading engineering reports that NeighborWorks decisions are at fault. Bangs thinks MHA should offer them something for exchange of indemnity so if someone does come back and sue them and if we're named, NeighborWorks would be liable.

Bangs suggests a small amount, not over \$1000 per house, and to make it very clear that everything MHA has found out shows that NeighborWorks made a mistake that shouldn't have been made.

Wells will be attending a conference later this month to see how other people in the country operate the self help program and shield themselves from outside litigation.

Worthington states that if MHA does offer up money, there are two things. One, it may not shield MHA from liability as the risk of being sued does not come from NWGF but from the home owners. Second, regardless of an agreement with NWGF, if they accept payment from MHA, it may be looked at, by perhaps the home owners, as an admission of fault.

Bangs states that this is a great program and feels MHA should do its best to maintain the program for future years.

McGrath adds that NWGF has extended its scholarships over the past few years for NeighborWorks Training Institute conferences to MHA staff. This has added up to thousands over the past few years. MHA might suffer from receiving benefits such as this by not trying to work out a solution that pleases NWGF.

Davidson feels by sending Wells and Moore to the national training on RD that MHA will learn a great deal on how to preserve this program going forward.

Lund asks if all the water is out of the homes now. Oliver states that it is receding and almost gone. If MHA wishes to proceed its will need to be after the houses are bone dry.

Hoffmann asks if MHA has signed something in regard to the obligations and responsibilities of Build 1. Davidson states MHA has signed an MOU that states MHA is going to learn how to run the program and provide onsite supervision. It was clear in the MOU that the decision maker was NWGF.

Hoffmann doesn't feel it is fair that NWGF as the grant holder isn't separated out in the MOU.

Worthington states that while she feels the MOU is good, it could do a better job defining and separating both parties out at the beginning of the document. Then, state what NWGF is going to do, what the home owners are going to do and what MHA is going to do separately.

Worthington feels that onsite support and staff time should be the only thing contributed to this issue.

Simpson asks if MHA has turned this issue into our insurance carrier. Davidson says not yet but she will. Simpson agrees.

Worthington states the other issue is that it sounds as though NWGF has not yet consulted legal counsel on this issue. Davidson agrees. Worthington feels after the MOU is signed and engineering is completed, NWGF would look to MHA to draft an indemnification agreement with the home owners. Worthington does not feel comfortable in writing it without them having consulted with legal counsel.

Simpson would like to see the document acknowledge the problem, here's what the home owners want done to remedy the issue, here is what MHA is willing to contribute to fix it in terms on a dollar amount in exchange for the home owners releasing MHA from any further obligation to fix it. Simpson doesn't feel we have enough information to do so at this point. Simpson feels MHA must advise its insurance carrier as soon as possible about the situation to ask for assistance. Simpson is concerned that by providing payment now it may later cause issue with MHA's insurance carrier if needed to be brought in on this issue. Even though a lawsuit has not been filed, the home owners have noticed MHA of a problem with the houses and they want them fixed. Simpson feels is sufficient enough to file a claim.

Davidson responds that in many circumstances she would have no problem. In this circumstance, MHA has really angry families and time is not on MHA's side. Based on our experience with Vantage Villa it will take more than 6 months to come to a solution. Waiting for an insurance company to come to a solution may take too long. Simpson advises that if there is later black mold or other issues that are not remedied, this problem could mushroom. MHA must act now to file an insurance claim to stop further issues down the road.

Yancey states that insurance will establish what the other party has for insurance. Worthington agrees that we must notice our insurance carrier. MHA may also ask our insurance carrier if by offering money to assist NWGF if it at all jeopardizes our liability in this issue.

Hoffmann asks board how it wishes to advise staff to proceed.

Casbeer states she would like to see an MOU that separates out what each of the three parties-NWGF, home owners and MHA-will do for the mitigation.

Worthington feels this is good but advises not to do so until NWGF agrees to what MHA's limits of involvement will be.

Colin wishes to allow Worthington to draft an MOU doing whatever is necessary to limit the risk to MHA.

Simpson does not feel Worthington has enough information to draft such a document.

Colin makes a motion to allow Worthington to draft a MOU with the intent of board to review the document. Warren seconds. Worthington suggests to re-draft the current MOU by taking MHA's name out of the current document and place at the end that it will provide assistance via supervision and staff time. Worthington states NWGF is not going to like this and that Davidson should have a discussion with Sheila Rice before a draft for the MOU is sent to them. Davidson suggest Worthington be involved during this conversation. Davidson clarifies that there will not be any dollar amounts between NWGF and MHA in the MOU. Hoffmann asks if the board can review the document before it gets sent. Board agrees that they would like to review it but not ready at this time to set a date to review.

Worthington clarifies the motion stating that she will do everything she can to limit MHA's liability and involvement in the MOU by providing only supervision and staff time to assist. The MOU will be emailed out to board members. If any member has comments or input, a board meeting will be called to session with ample public notice. Board agrees to this clarification of the motion.

Vote taken. All in favor. None opposed. Motion passed with all in favor.

b) Strategic Planning

McGrath states that the 5 year plan is due on July 1st. The plan must be advertised for public comment for 45 days before, so sometime in May. The strategic plan is for our own agency. But it is a part of the 5 year plan. In order to have a draft in May tonight should be used to finalize some strategic directions.

McGrath states MHA did a great job with the last 5 year plan. One of the goals from the last strategic plan was to cultivate relationship with outside organizations. MHA has done well with this.

McGrath brings up new offices and what MHA's role in the 10-year plan to end homelessness is as possible items for discussion on strategic plan.

McGrath directs board to the hand out to review last year's goals.

Bangs states that in the past MHA's goal has been to achieve long-term stability. Now that MHA has received somewhat of its stability, perhaps it should look to maintain stability while looking at other goals or areas of focus.

Lund likes the idea of putting down to maintain stability. Board agrees

McGrath asks board how it would like to see MHA participate in the 10-year plan to end homelessness.

Bangs would like to see MHA involved with the process but states MHA is not leading this process.

Worthington states that there a lack of time for those involved and there has not been a true leader directing the ship on this issue to help it progress. Worthington feels there is opportunity for someone to step up and take a leadership role. This may be appropriate and logical for the housing authority to do.

Casbeer and Bangs agree.

Casbeer states she feels the mental health population and community members with criminal backgrounds that find it hard to secure housing are underserved. Jim McGrath states that in meetings with stakeholders all of them were in favor of MHA serving a broad base, without an emphasis on their own clients. Casbeer would like to see on-going openness to all populations with housing needs that MHA can support.

Bangs asks the board if MHA should take a more active role in leading the 10 year plan.

Hoffmann would like to see MHA take a more active role but also thinks that services play a very important role in the overall success of the plan. This is something that MHA cannot do much of in its current capacity and would take outside agencies to step-up.

McGrath suggest a strategic goal to explore and develop the housing authority's role in the 10 year plan to end homelessness.

McGrath asks board if there is any other items to be added to the list of strategic goals.

Bangs would like to see MHA figure out what to do with the Rattlesnake property

Davidson adds the same with the Stevensville property.

Zander asks if the build in the Rattlesnake is costing MHA money each year to hold it. Davidson states only a miniscule amount in taxes per year. Lund asks how much land is available in the Rattlesnake. Hoffmann states 20 units worth. Davidson clarifies that not all of the land is buildable. 1.8 acres is developable. If MHA is to build multi-family, the zoning requires it to be within the existing foundation of the property.

McGrath states there are 3 strategic directions and looks to board if they wish to have these taken down to the staff level for feedback. Board agrees.

Davidson asks if the board sees anything MHA is not doing that it should be, or if there is anything MHA is doing that it shouldn't be. Board will keep this in mind.

*Intermission taken at 6:55pm

c) MHA office space

Davidson states ProBuild site not an option at this time.

d) Vantage Villa Update/EPC Update

Davidson states they're still waiting on insurance company

e) City Surplus Lots & Homeless Housing Update

Davidson states Harlan Wells is still waiting for one piece of information on the 6-plex application to State HOME.

f) Palace Project

Davidson states MHA is in final stages of converting to the permanent loan with PNC's underwriting. This is proving to be challenging based on their conservative guidelines.

g) IDC Update

Davidson states Kevin Slovarp has communicated that he is going to release the bond.

McGrath states that next time it may be in MHA's benefit to states that these units are not affordable housing units and that the property has been sold. MHA is receiving a large amount of phone calls regarding the new properties built on the IDC site.

h) Stevensville Property

None

i) Silvertip Sound Mitigation

none

j) IDC update

X. New Business

None

XI. Old Business

a. Legal Services

Davidson states Emily Bentley is rewriting the cooperation agreement between MHA and the City. Worthington states having met with Bentley and Jim Nugent today to review the agreement. A draft will be ready by May 7th.

McGrath states this is a good opportunity to review MHA's relationship with the city.

Worthington agrees and adds that after reviewing the cooperation agreement, it has come to her attention that work was done in 1996 to see at the time how other housing authorities were working with their local city government. In the 12 housing authorities contacted, it appears that of those who had a strong relationship with the city, it was the housing authority that made the push to work more closely together. This is something to be mindful of as MHA continues its strategic planning. Worthington states the Mayor has indicated that he is looking to MHA to be the housing arm for the city. Worthington believes it's up to MHA to push this going forward. Payroll, HR, and shared shop space are all examples of ways the City may be able to help the housing authority. Worthington states with Bentley on the city council there is an opportunity to have someone interested in housing educate the city on ways the housing authority can benefit

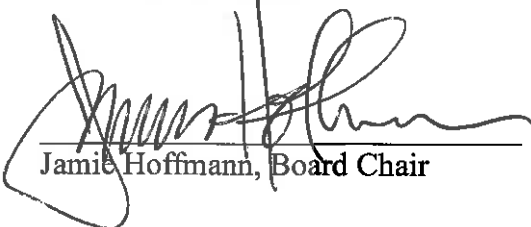
b. Changes in Procurement and Personnel Policies

Davidson states Worthington and Ragsdale are in ongoing efforts with a draft. MHA staff has been attending state sponsored procurement trainings this month.

c. Board Training opportunities

Davidson states the NAHRO Summer Conference is coming up in Tampa this July. The Montana State Housing Conference, sponsored by NeighborWorks of Montana, is in Miles City in May. The National Conference is in Baltimore this year.

XII. Adjournment: The regular meeting was adjourned at 8:02 pm



Jamie Hoffmann, Board Chair



Lori Davidson, Executive Director