

Missoula Housing Authority Board

Regular Board Meeting
Wednesday, Jan 16th, 2013

-MINUTES-

Members Present: David Warren, Jamie Hoffmann, Betty Zander

Members Absent: Emily Bentley, Collin Bangs, Fred Simpson, Sheila Lund

Staff Present: Adam Ragsdale, Gloria Fortier, Mary Melton, Lori Davidson

Guests Present: Keithi Worthington, Kathy Pollock, Monique Casbeer

I. Call to Order: The meeting was called to order at 5:33 pm.

II. Attendance: See Above.

III. Intro:

-None

IV. Minutes:

-Dec 19th, 2012

[*Deferred till next board meeting as quorum not met]

V. Conflict of Interest Disclosure:

None

VI. Commissioner Comments:

None

VII. Public Comments on Items not on Agenda:

Jim McGrath states tomorrow the VA will do its annual inspection for Valor House. Included will be an exit interview with MHA.

Warren and Hoffmann have interest in attending tomorrow's exit interview.

VIII. Action Items

None

IX. Staff Reports

a) City Surplus Lots

Davidson states the slab has been poured on lots 9 and 10. MHA and Abel Moving are waiting for weather to break before moving the house off of the IDC site and onto the slab on California Street. Davidson is just finishing up the application and hoping to have it done by Friday. Davidson has been waiting on the environmental review to be finished. John Adams has informed Davidson that he just received the final piece for the environmental review this morning. Adams is advertising it this week.

Hoffmann asks for further clarification on what this application will do once completed. Davidson states that the application is the request to HUD to bring all 4 units on California St into MHA's public housing stock under the Annual Contributions Contract (ACC). This will allow MHA to use the disposition funds for these units. Davidson is also requesting to use MHA's replacement housing factor grant funds. The grants are capital grants that come when a PHA disposes of public housing units. These grant funds can only be used to replace public housing units. Davidson states this project will serve this defined purpose perfectly. Davidson anticipates 3 years worth of replacement housing factor grants funds for the California Street public housing units.

b) Palace Project

Davidson reports the project is on schedule and on budget. MHA has 7 empty units at the Palace as of the end of 2012. Mary Melton reports that property manager Ben Bach has 3 lease ups scheduled this week and 10 applications that look promising. There will be a small adjustment on the tax credits, but Lori Davidson anticipates the adjustment coming in under \$10,000.

Lori Davidson introduces Monique Casbeer and Kathy Pollock from the Resident Advisory Board. Davidson provides MHA board with a brief overview and history of the Resident Advisory Board and their role as it meets to discuss MHA's annual plan. Davidson informs Monique that if there are questions on topics discussed tonight, to bring those questions to a meeting later in the week where she will further explain or clarify.

Davidson reports MHA is trying to nail down the final items to use on the remaining contingency funds and getting final pricing. The lobby remodel is actually apart of Carl Construction's contract.

c) Silvertip Update

Davidson reports the project is at 72 lease ups today. This is out of 115 total units. MHA has 3 more packets ready to submit to the state for approval. This would put Silvertip at the 75 unit project goal for January. Davidson is just finalizing a budget for 2013 with RMDG.

d) IDC Update

Davidson is happy to report the sale closed on two IDC lots on Dec 24th, 2012. This paid off the mortgage in its entirety. MHA still owns two commercial lots that are completely debt free. Davidson met with Pat Corrick and Jim McLeod last week to discuss the possible new office structure on the lot Brownstone is giving back to MHA. Brownstone is hopeful that they will close on the commercial lots by April 2013.

Davidson states MHA is still figuring out solutions to finance the building on the commercial lots.

Hoffmann asks what would happen to the quarters at MHA. Davidson states they would gladly lease them out to another tenant. Or they would turn them into units though this would take a fair amount of money to convert the office space to apartments. Hoffmann asks if there are any restrictions to the commercial space. Davidson states the only restriction is that the tenant must not compete with Albertsons. Davidson states this building is not in tax credit basis.

e) Rural Development Self-Help Program

f)

Davidson reports the program is running well. MHA has possession of the stone house. Adam Ragsdale, Holly Johnstin and Ellie Greenwood have been spending time at the stone house configuring office space and the new computer lab. Holly Johnstin, RD Self Help Coordinator, will move, along with the Public Housing Ross Program

g) Stevensville Property

MHA has agreed upon terms with Northwestern Energy (NWE) and will enter into a buy/sell agreement. The Garden City Neighbor's board will meet next week to approve the buy/sell. Tentative date is Friday Jan 25th pending Fred Simpson's confirmation. NWE has agreed to all the changes the board has asked them to make. Worthington states that this is a year-long option agreement with a \$22,500 refundable option payment to be held in escrow. The only way NWE could claim the option refundable money is if NWE exercised their option and MHA refused. Worthington adds that NWE has been very easy to negotiate with.

h) Homeless Housing Update

Davidson reports that Heather McMilan of Homeword is arranging to have a Physical Needs Assessment (PNA) done while she is doing some on their own properties. Davidson thought this would help reduce the cost as it is already being performed on

other sites. Davidson is hoping to have 2 or 3 other properties to add into this round of PNA's. Davidson adds that she felt Brownie's was in poor physical condition. She does not feel there would be enough money in both HOME grants to rehab the property. Davidson is looking at other options such as the Thunderbird Motel or City Center motel. Neither property is on the market, but might be worth approaching the owners. MHA is looking to find a smaller property that will take less rehab. Davidson looks to find a property more in line with the Uptown.

Hoffmann adds that a property west of Del's Place may fit her needs. Davidson believes that the property Hoffmann is referring to and the City Center are owned by the same family trust that MHA purchased the Uptown from.

X. New Business

a.) Temporary restraining order & injunction halting 2013 Tax Credit allocation round.

Davidson reports a developer from last year's tax credit funding round was not awarded credits. This developer filed a suit to stop the 2012 allocation of credits. Hoffmann asks who the developer is. Davidson states it's an out of state developer, she thinks from Texas. He would be building his project on land he would lease from the VA in Helena. The developers argument is that he scored his project according to the Qualified Allocation Plan (QAP) and the board of housing did not score his project correctly, that the criteria are too vague, and that the preference for Montana products and team members may be unconstitutional.

The developer has received a temporary restraining order stopping the 2013 application process, pending disposition of the 2012 suit. There is a hearing on the injunction scheduled for the 28th of January. Worthington adds that the developer has claimed the scoring process is invalid and that the 2013 scoring must be postponed until the 2012 scoring issue has been settled.

Davidson states that developers with projects for 2013 and those involved with the 2012 funding round will try to carpool over on the 28th.

XI. Old Business

a. River Ridge Right of First Refusal

Davidson states she would like to see MHA purchase this property as it is in good condition with good staff. Davidson has not yet found a purchasing mechanism to make this possible. Davidson does not want to spend \$12K to have someone tell MHA how to do it. Davidson has had conversations with Tom Butorac who states First Interstate Bank (FIB) might be able to invest in tax credits or be a tax exempt financier for it. Davidson states John McGee at Steadfast has instructions from the owners to get the project sold by the end of March. Davidson states she doesn't have any other option but to use a bridge loan to get the project sold by the end of March. Davidson will have further conversations with Tom Butorac at

FIB, First Security Bank, and Mercy Loan Fund to explore lending options. Davidson states the 4% tax credits are a good way to go but require at least \$1M in rehab. Davidson believes the project doesn't require much rehab and spending \$1M on it would not be the most efficient use of such funds. Davidson states there are also a couple different types of HUD loans and Fannie Mae / Freddie Mac financing that may be possible solutions.

Davidson states that she has been looking to hire on a Development associate possibly in the next month or two. Davidson states that though this in the budget already, Davidson may need a higher salary than budgeted to acquire someone with the skills necessary to jump in and understand the development process.

Davidson adds that MHA will be acquiring its first VISTA volunteer next week to work with the Voucher department on landlord outreach.

b. Changes in Procurement and Personnel Policies

No news

c. Board training opportunities

1. NAHRO Legislative Conference

Emily Bentley will be attending the Legislative Conference with Lori Davidson.

2. Nelrod Training

No news.

*Davidson invited board to review MHA audit report. Hard copies presented at meeting and PDF of the report can be found on the MHA website. MHA passed this year's audit with great reviews. Davidson is happy to report that MHA had no findings for 2012.

XII. Adjournment: The meeting was adjourned at approximately 6:40 pm.



Jamie Hoffmann, Board Chair



Lori Davidson, Executive Director