

***Missoula Housing Authority Board***

Regular Board Meeting  
Wednesday, Dec 21<sup>st</sup>, 2011

-MINUTES-

Members Present: Collin Bangs, David Warren, Fred Simpson, Emily Bentley, Sheila Lund,  
Betty Zander (\*arrived at 5:42pm)

Members Absent: Jamie Hoffmann

Staff Present: Lori Davidson, Kevin Schouweiler, Gloria Fortier,  
Karl Pare

Guests Present: Keithi Worthington

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

II. Attendance: See Above.

III. Intro:

None

IV. Minutes:

-Nov 16<sup>th</sup> 2011

Bentley motioned to approve. Lund seconded. None opposed. Minutes approved with  
all in favor. (\*Betty Zander not present for voting)

V. Conflict of Interest Disclosure:

None

VI. Commissioner Comments

None

VII. Public Comments on Items not on Agenda:

None

VIII. Action Items

None

IX. Staff Reports

Palace-

Davidson states still working on a management plan for the program. Investors were in town. PNC Bank representatives, along with loan underwriters and construction investors toured the Palace and reviewed the upcoming improvements. Earthquake study was completed. Hoffmann wants to know if we can get a copy of the Physical Needs Assessment that was done early 2011. Davidson responded that she can ask if we can view this document

Lund asked if the Superintendent was hired to for this project. Davidson responded that Jason Mitchell was hired for the position and will start after Feb 1<sup>st</sup>. James Weir spoke of how impressed he is with Sam Oliver and Josh Kosar's efforts.

Silvertip-

Davidson reports the project is still on schedule. There has been upwards of 40 crewmembers on site at any given time working steadily. Landscaping improvements have been made using the extra contingency funds. Davidson is still looking for ways to further improve the project with the excess contingency funds. Davidson states the project is going screamingly well. She also adds that MHA would hire Headwaters Construction any day for a development project. Davidson states that Headwaters has acted in majority as an administrative entity hiring mostly local sub-contractors. Davidson states Headwater's access to subs and getting people to work together has been one of their greatest advantages in this project.

IDC-

Davidson reports nothing new but still moving forward. Brownstone looks to have their investors on board by the end of the month.

Worthington spoke about a subdivision issue involving lots with multiple units in separate buildings.

Hoffmann adds having a conversation with an outside investor who states Missoula has abnormally difficult subdivision regulations. Hoffmann points out that this complexity in subdivision regulations is a result of the lack of zoning in Missoula County.

Hoffmann states there could be enormous difficulties with IDC if this issue does not get resolved. Worthington and Board members agree the process for subdivision review should be truncated.

Hoffmann states having 5 projects he is currently working on which will be affected by the subdivision regulations.

Davidson states it being a tragedy. What she envisions is 50 unit 3 story projects because the multiple building technique will cost \$200,000 and take over 2 years for the approval process.

Talk was had of involving communication with our state representatives. Bentley asks if there is some sort of action the board should be taking to advocate our position to the city. Worthington states the difficulty being that OPG is a county office which serves the city but also the county's interests. Worthington states it was Missoula County's office who pushed the issue so it's their office who has competing interests. There is a meeting to discuss what OPG will do. Davidson asks what the states' remedy is if the city ignores this legal policy. Worthington states that a lawsuit from a neighbor or opposing party of the project could be filed. Additionally, Worthington advised that a city entity knowingly in violation of such a statute would most likely end in the firing of the individuals responsible. A district court remedy could take a year or more. Bentley feels since its 13 months out for any legal actions to resolve this, that the board should apply pressure to OPG on the issue to try and resolve it. Davidson added that since the land is already subdivided that it could be reviewed as being exempted from the process.

Jim McGrath added that the angle for the accelerated process could be presenting the project and a subdivision review. Not a new subdivision. Come in and say here's the review you did, the impacts have not changed. We're not adding units to the project they originally signed off on or altering the plans. This could provide the easy out.

Mike and John of OPG will be asked to meet with Collin Bangs, Emily Bentley and Jamie Hoffmann by Friday if possible. This is to get their thoughts on the position of the regulations and hear MHA's position on its implications. Bentley states is may be worth asking Fred if he wants to attend.

#### Public Housing Disposition-

No new updates. Still trying to sell the last two units. Price is down to \$150K now. Two grandview units with a shared driveway and the adjacent lot. Davidson asked if there was just one entrance/exit for each unit. James Weir gave comment that there is only one entrance/exit for these units. Hoffmann says that he recalls building these units with HUD specifications with no code violations. Which did not require more than one entrance/exit and could not attach a deck to the units for a secondary entrance/exit. Weir states that the layout and physical plans just are not appealing for buyers. May have to go back to HUD with a request to lower pricing. Weir added that there are no services to the bare lot priced at \$50,000. This makes it more difficult to sell the land. Hoffmann added that even with services, the lot would be worth no more than \$30-\$35K in this market.

Davidson states that given the circumstances of the market, if MHA is not able to sell, she is wondering if HUD would allow the two Grandview units to be placed back into the Public Housing portfolio as rentals. MHA originally had good reason to dispose of the units, but if it cannot sell the units it may be best to hold onto them.

#### Burns Street-

One of the units has sold. Word reached MHA fast as it was one of MHA's staff members who has purchased the unit. Possible upcoming sale of another unit from a section 8 voucher holder. McGrath commented on receiving a phone call from the Bank in regards to the potential sale. Possibly a second rent to own voucher holder. Davidson states the Palace has been such a time gobbler that she has been unable to put time towards this project and will not be able to do so for at least another two weeks. But it is on the to-do list and NMCDC is going to city council to see if they can get help on the loan granted by the city. Davidson informed the board that the ANF meeting on Dec 23 will be discussing this issue and invited members to attend.

#### RD Self-Help-

None

#### Homeless Plan-

None

### X. New Business

HUD has changed their Public Housing Assessment System (PHAS). The AMP 1 public housing properties scored 73 out of 100. On AMP 2 MHA only scored 53 out of 100. This is the worst MHA has ever scored. Three of MHA's staff went to training in Seattle on this new scoring system. In Davidson's opinion, this new scoring system is unreasonable. Many of the items that hurt the scoring are tenant driven, such as a broken mirror. Davidson feels it is unreasonable to expect MHA to be at all 153 units at any given time and that without tenant cooperation, we cannot improve scoring.

MHA has had UPCS and REAC inspectors at all of its public housing properties since 2000 that have not pointed out one of the primary deficiencies, a major point deduction for unsecured main electrical boxes. [*Note: MHA has appealed to regain these points as HUD has instructed REAC inspectors to cease immediately deducting points for this. It is not a deficiency unless bare wires or connections are exposed.*]

Simpson asked what the consequences are of this low scoring. Davidson responded that MHA will lose the 5% bump in the capital funds, our only financial consequence. The inspectors will also come to inspect MHA's Public Housing every year instead of every 3 years.

Lund asked if MHA has a checklist of what the inspectors are looking for in their assessments. Davidson responded that MHA does have a checklist and it has been used. Davidson states it will appeal on part of its deficiencies in AMP 2 to HUD. Lund asked if a copy of the REAC inspection scoring can be put with MHA's appeal to show HUD the large gap in scoring that has resulted in this new scoring system. Davidson responded that this is a great idea, and will have a copy placed in with this appeal.

Bentley asked if MHA knows what the average scores were for Housing Authorities around the states. Davidson responded that she does not know average scores, but that every Housing Authority in the state scored the lowest ever under this scoring system. Additionally, Whitefish and Butte improved their scores by appealing on deficiencies. Warren asked if the inspector is the same for all the other housing authorities in the state. Davidson responded that it is not and that you don't know who HUD will send.

XI. Old Business  
Board Development Committee

Lund asked members their thoughts on reading the commissioner handbook as a start for getting back into Board training. No comments. Lund suggested the board read one chapter before each meeting and spend 10 minutes to discuss the chapter with the members.

No objections. Lund spoke with Melissa Bangs who would like to be involved with key chapters that she has identified.

Davidson announced a legislative conference to be held in March, 2012 in Washington D.C. Board members were invited to contact Adam Ragsdale with interest on attending.

Lund suggested a community outreach committee. Emily, Collin and David were suggested for this committee

Tours of the properties for the board members have been postponed until spring in hopes of better weather.

XII. Adjournment: The meeting was adjourned at approximately 6:39 pm.

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Jamie Hoffmann, Board Chair

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Lori Davidson, Executive Director