

Missoula Housing Authority Board

Regular Board Meeting

Wednesday, Nov , 2011

-MINUTES-

Members Present: Jamie Hoffmann, Collin Bangs, Betty Zander, David Warren, Fred Simpson

Members Absent: Emily Bentley, Sheila Lund

Staff Present: Lori Davidson, Kevin Schouweiler, Jim McGrath, Gloria Fortier, Mary Melton

Guests Present: None

- I. Call to Order: The meeting was called to order at 5:38 pm.
- II. Attendance: See Above.
- III. Intro:
None
- IV. Minutes:
-Oct 19th 2011

Simpson motioned to approve. Warren seconded. None opposed. Minutes approved with all in favor.
- V. Conflict of Interest Disclosure:

None
- VI. Commissioner Comments

None
- VII. Public Comments on Items not on Agenda:

Board Packets were sent out via CD. Board was asked for feedback on the format. The electronic format is well liked. Electronic copies by CD will be sent going forward.

Will begin board training once again with Melissa Bangs. Commissioner handbook to be reviewed with members along with further board member development training.

Property tour for board members to be scheduled in the near future through Adam Ragsdale.

VIII. Action Items

-Elections for FY 2012 Chair and Vice-Chair

Hoffmann requests to delay elections to see if Lund or Bentley will arrive later in meeting.

[Elections revisited at 7:14pm:]

Bangs asks Hoffmann if he is willing to serve year more term as Board President. Hoffmann agrees. Bangs nominates Jamie Hoffmann for MHA board president. No other nomination for president presented.

Bangs motions to re-elect Hoffmann to president. Simpson seconds. None opposed. Motion passed with all in favor.

Warren nominates to elect Collin Bangs as MHA Vice-President. Simpson seconds nomination. Bangs nominates Sheila Lund as Vice-President. No Second. No other nominations for Vice-President presented.

Warren motions to elect Bangs as MHA Vice-President. Simpson seconds. None opposed. Motion passed with all in favor.

-Resolution 952- Approval of SEMAP

McGrath explained how the Section Eight Management Assessment System. Hoffman asked as to where/how MHA comes up with its comparables for market rents. McGrath explained that MHA conducts a survey by phone with a variety of Missoula landlords and property management companies to receive comps.

McGrath was happy to report HUD's review of their submissions have been "perfect". Highest numbers an agency can receive.

Bangs motioned to approve resolution 952. Simpson seconded. None opposed. Motioned passed with all in favor.

IX. Staff Reports

a.) Non-Agenda Discussions:

-Poverello/Maclay Commons Supportive Service:

Davidson added that MHA is becoming increasingly unsatisfied with the supportive services provided by the Poverello for the Joseph Residence at Maclay Commons. Two years ago, the Poverello reduced staffing from 24hrs a day to 12 hrs a day. Onsite staff put up security cameras. Performance and adherence to the service contract between MHA and the Poverello is not at a satisfactory level. Large costs in damages at the time of move out for residences have become a large concern. Weekly inspections, with opportunity to reduce the frequency based on results, for each unit is to be carried out by the Poverello. It is MHA's concern that this policy is not being enforced, resulting in avoidable damage costs. Check- meetings with tenants, along with budgeting classes for tenants are to be happening on a week to week basis.

A meeting with Erin from the Pov will be held this coming week. MHA has two other options if issues cannot be resolved. Option one is to pull out all supportive services and operate Maclay Commons as a straight tax credit project. Option two would be to look for another service provider for such services. The problem with finding another services provider is find the funding to support the program. Hoffman asked if the Poverello is the one funding the supportive services program currently. Davidson responded that the Poverello has received Federal funds to run the program.

-Executive Director Annual Review:

Hoffmann announced it being time for the annual review of the MHA Executive Director, Lori Davidson. Due to an outstanding job with carrying out last year's review process, Hoffmann will ask Sheila Lund to head this review process

b.) Palace Project:

Davidson reports having had the first due diligence call with PNC today. Hoffmann asked for clarification on PNC. Davidson responded that PNC is both MHA's tax credit equity partner and the lender for the project. Court Allen has already negotiated all the terms for the partnership agreement in advance. This should pose helpful in regards to a quick closing process.

Working out a process with Newbanks. Cosmo Marfinoni will be coming to Missoula once a month to help with progression of the project going forward. His firm conducted the physical needs assessment and will be support for Sam as this project moves forward.

Davidson feels that Allen is frustrated with the project taking so much time. Though, Davidson reports that it is impossible for the project to move as fast as Allen would

like. Simpson asked if Allen could provide the Board with a written status report of the progression of the project and how Allen feels the project is moving in regards to the timeline given. Hoffmann agrees that being hired for his expertise in this area, the board would like to see a status report as we look for him for leadership with this rehab project.

State HOME program is becoming difficult to work with. MHA has sent the relocation plan for review, compiled by Attorney firm Reno and Cavanaugh. It was review by our point of contact, Adam Gill, and returned with 28 questions. After having such difficulties Davidson questions using this program for future projects. Gloria Fortier added that MHA is not the only agency questioning future use of HOME FUNDS. Hoffmann asked if Fortier is referring to Homeword. Fortier concurred.

Units that become vacant as tenants move out will remain vacant and used as relocation units for the project going forward. This is why vacancy reports for the palace are high.

c.) Silvertip Update

It's still ahead of schedule looking at starting lease ups in June. Karl Pare will be the asset manager at Silvertip going forward. A new property manager will be onsite for this project. Hoffmann asked about how change orders and the contingency budget is doing for the project. Davidson says that we are into the sheet rock phase, whereby the contingency rate goes down to about a 20% risk. Davidson also added that if the contingency funds are not used, according to the NSP and Public Housing guidelines, the funds are to be returned. Consequently, improvement in materials and other contingencies measures, such as added balconies and installing washer/dryer units, have taken place to make the best project possible with the given pool of funds. Windows and Doors are being installed.

d.) IDC Update

Davidson states, with the legal help of Keithi Worthington, MHA has entered into an agreement with Brownstone Capital. Davidson met with Leslie Jensen from First Interstate, who doesn't foresee any troubles with approval for the loan extension. By Jensen's estimates, the fees for extension would be minimal, roughly \$2,500. Brownstone is comfortable with this and has agreed to pick up such costs for extending the loan. Davidson is happy to report that MHA looks to see no out of pocket costs for the extension of the loan. Davidson added there is no anticipated change in interest rate on the loan. Hoping to close the loan by the end of Dec, 2011.

e.) Public Housing Disposition

No new activity. Kris Hawkins feels MHA should request to approve a decrease in the sale price for the remaining units.

f.) Burns Street Property

Hoffmann called Jerry Petasek asking if they have completed what needs to be done for the Housing Authority in order to move forward with the due diligence needed for HUD. Petasek has informed Hoffmann that it will be done and to Davidson by the end of next week. Hoffmann has a board meeting with Jerry on Friday and will press the issue again.

g.) Rural Development Self Help Program

Jeff Jordan and his Finance manager, James, met with Davidson at MHA Headquarters yesterday. Davidson reports completing a budget with them. Only item still in question is the liability insurance MHA will need to carry. It will probably go through Ron Sharky who is helping with insurance on the Bristlecone Development Company on the Palace Project. Davidson states that the owners themselves will carry their own personally liability insurance and builder's insurance that is funded through the grant itself. Simpson asked if MHA can be listed as a secondary on the policy for these owners. Davidson thinks that it is possible and will check. Davidson feels that it is budgeted quite well with the grant funding not only full salary and benefits for the staff running the project, but will cover travel, office supplies and other costs associated with the program. Davidson feels that MHA will need the Stoddard street home for staff operation. MHA spends \$5,000 on the property per year and have been doing so for the last 15 years. In essence, MHA has been subsidizing NMCDC's overhead office costs by pay water, sewer, garbage, insurance, property insurance, liability insurance and other ongoing maintenance. Looking at April for the timeframe of needing the space. Davidson has not contacted Bob Ochs but is looking to contact him soon. Davidson also states having a possibility to share the space.

h.) Homeless Needs Assessment

None

New Business

None

X. Old Business

a.) Board Development Committee

Commission Fundamentals training upcoming in March 2012. Hoffmann showed interest to attend. More information to be emailed to all members.

Melissa Bangs to be contacted and start back up with commissioner handbook training.

XI. Adjournment: The meeting was adjourned at approximately 7:28 pm.

Jamie Hoffmann, Board Chair

Lori Davidson, Executive Director