

Missoula Housing Authority Board

Regular Board Meeting
Wednesday, Sept 17, 2011

-MINUTES-

Members Present: Jamie Hoffmann, Sheila Lund, Colin Bangs, Betty Zander, David Warren, Fred Simpson

Members Absent: Emily Bentley

Staff Present: Lori Davidson, Kevin Schouweiler, Jim McGrath, Gloria Fortier, Josh Kosar, Mary Melton, Sam Oliver

Guests Present: Susan Firth

- I. Call to Order: The meeting was called to order at 5:32 pm.
- II. Attendance: See Above.
- III. Intro:
None
- IV. Minutes:
-August 21st, 2011
No comments or corrections. Warren motioned to approve, Zander seconded. None opposed. Minutes approved with all in favor.
- V. Conflict of Interest Disclosure: Bangs expressed a conflict of interest with Resolution 947 due to ownership of rental property with section 8 housing subsidy.
- VI. Commissioner Comments
None
- VII. Public Comments on Items not on Agenda:
Davidson called for someone to step forward as a volunteer for an open board member position on Garden City Neighbors board of directors. Fred Simpson stepped forward.

Simpson asked to have board packets sent via PDF. Warren, Bangs, Hoffman, and Lund agreed to the same delivery. Zander requested to have her board packet still sent by mail.

Grandview-

Morena Development LLC has approached MHA with the offer of a partnership for a proposed tax credit project known as Grandview Apts. John Brady, our partner at Parkside, serves a member of the project's owner/partnership known as Monfric. The project has 48 units with HUD subsidy. They will be applying for the 9% credits for an acquisition rehab. They can do either 9% or 4% and still cashflow. No action will be requested today but Davidson asked if the board would give MHA the nod to further investigate such a project. Hoffman asked what MHA would get out of it. The rehab is 25 to 30K per unit. The development fee would be roughly 27 or 28K. This would be minimal time commitment. This brings in a good return for minimal time. Board members agreed with no members voicing disapproval.

Valor Site-

Davidson stated that Patty Kent called to put in a letter of intent for HOME funds. In her proposal, Kent hopes to partner with MHA in developing up to four 4-plexes, over a period of time, using the remaining land behind the Valor House site. Western Montana Mental Health would apply for HOME funds and MHA would apply for the permanent housing bonus of the Continuum of Care, equating to roughly 170K. This would be enough to house 4 to 5 shelter plus care vouchers for 5 years that automatically renew. They are proposing 4 units, one 4-plex, because that is all there is funding for. Davidson is suggesting that we hold the title to it. This would be a permanent housing solution that could house homeless applicants.

Hoffman voiced his wishes to see the maximum utilization of units that the property is zoned for. Davidson suggested that it may not be the best solution to help shelter plus care tenants, who may have serious needs, thrive if they are housed in too close of a density. Bangs asked if it is usual to do the financing of a project using all grant money with no financing. Davidson responded that this is Patty's model, but Davidson will looking other options involving debt service.

Jim McGrath added that as Missoula looks to comprise a 10 yr plan to end homelessness, there will be many eyes looking to the local Housing Authority asking what it is we are doing to aid this problem.

Board approved by verbal agreement to move forward with research on this development on the Valor site.

VIII. Action Items:

Resolution 945-

Approving Missoula Housing Authority's
FY2011 Operating Budget Revision #1

Davidson presented several adjustments. Using a handout, Davison provided points of highlight with regard to capital funds and budgeted cashflow for several projects. Davidson states the tax credit properties are doing well. AMP 2 in Public Housing is budgeted for a net loss due to the time lag by HUD of announcing subsidy. This past fiscal year, Public Housing operated from Oct '09 to July '11 before knowing what HUD will be granting for subsidy.

James Weir provided examples of capital fund improvement. These are recent developments provided as examples of large unanticipated capital fund improvements:

\$30K capital improvement to the Charlo street parking lot

\$25K refurbished courtyard to Russell Square.

\$27K in window replacements to Russell Park West

\$52K in new carpet and vinyl flooring for Vantage Villa

\$ 8K as an estimate for Parking lot repair due to a sink hole

\$ 15K as a top of the head guess for Water Heating System at the Uptown Apt

\$19K in window replacements for the Uptown Apt.

Upcoming Projects include rebidding the lawn care projects, snow removal, flooring for MHA offices.

Bangs motioned to approve, Lund seconded. None opposed. Motion passed with all in favor.

Resolution 946-

Approving Missoula Housing Authority's
FY2012 Operating Budget

Davidson presented to the board a proposed increase in wages for exempt staff at a 3% and an increase in non-exempt staff wages increase by 4%. Fortier added that the extra increase for non-exempt staff is in lieu of providing an annual bonus that the Board had suggested to do on an annual basis. Simpson motioned to approve, Lund seconded. None opposed. Motion passed with all in favor.

Resolution 947-

INCREASING HOUSING CHOICE VOUCHER PAYMENT STANDARDS
FOR ZERO, ONE, AND TWO-BEDROOM UNITS

McGrath provided hand-out and an explanation on the rents. Davidson states that the rents have gone down for the first time she can remember, despite a low vacancy rate and increasing population. McGrath states that HUD develop Fair Market Rents using a complicated calculation involving census data, which can often create a lag. Warren motioned to approve, Sandy seconded. None opposed. Motion passed with all in favor.

Resolution 948-

INCREASING HOUSING CHOICE VOUCHER PAYMENT STANDARDS
FOR 3-BEDROOM AND LARGER UNITS

Bangs motioned to approve, Sandy seconded. None opposed. Motion passed with all in favor.

Resolution 949-

RATIFYING AND AUTHORIZING THE CREATION OF LEGAL ENTITIES
NECESSARY FOR THE DEVELOPMENT OF THE PALACE APARTMENTS
REHAB PROJECT AND DESIGNATING AUTHORIZED SIGNATORY

Davidson introduced Susan Firth, City Attorney. Hoffman asked if this is to allow the E.D. to enter into financial contracts. Davidson explained that it would allow for entering into architectural contracts and sub-contractor contracts. Bangs motioned to approve, Sandy seconded. None opposed. Motion passed with all in favor.

Davidson asked if the board would like materials next meeting to further explain the Palace Project's ownership and entity structure. Bangs and Simpson would like to see the ownership setup up in writing. Hoffman asked for a flowchart of the ownership structure.

Hoffman asked in an Investor has been identified for the palace project. Davidson states that the RFP's have all been turned in and that Treadstone is compiling a matrix with categories of interest to help with the selection process. MHA has received LIHTC prices anywhere from 88 cents to 96 cents on the dollar. Bids on historic tax credits range from 90 to 93 cents on the dollar. Davidson seemed pleased by the bids but will be taking into account when the equity will be paid, how long MHA will have to carry the construction loans, the guarantee required of the General Partner and other factors

Gavin-Hanks has been selected as the Historic Architect. Hoffman asked what their bid came in at for the Design Team. Davidson responded with a bid of \$165K.

IX. Staff Reports

a.) Palace Project:

Oliver gave comment o

n what Josh Kosar and himself are talking with contractors to get as much information about items that will place out to bid as part of the rehab. This is also to help solidify peace of mind on the budget items so as not to run into more unforeseen cost with such a tight timeline.

Badlander has a 32K tax lien placed against their establishment, affecting common areas of the condo association. The lien cannot be in place if MHA is to close with tax credit investors on the palace projects. PRAHA, the Badlander's governing entity, does not have sufficient funds to cover this lien. Davidson proposes MHA pay off the lien if PRAHA agrees to assign the rents from the hair salon over to MHA. The basement office will also be provided for at no charge to MHA as part of the lien payoff.

Simpson expressed concern on paying the Tax Lien in light of the PRAHA partnership splitting up. Simpson asked if MHA has any leverage to make sure that if cash is exchanged for the dissolution of the partnership that it should go to pay off the tax lien. Davidson will talk to Court Allen and the attorneys involved in the negotiation to further investigate this avenue. Davidson expressed concern with

having to already ask the Badlander's mortgage company for a release of the common areas.

Simpson asked if in the condo association documents describe what happens in the event an lien in placed by a partnering member. Davidson responded no. Bangs added that typically if someone owes monies in a condo association, the lien is only attached to their unit. Davidson remarked does attach to the unit but it also attaches to the common areas. Simpson suggests approaching the state to pay a portion of the lien for release of the lien on common areas of the building. Board agrees this is a favorable options. Davidson will pursue this idea further.

Names for the Development entity for MHA were discussed. Davidson asked the Board for comments or suggestions. Milestone with two votes. Cattail, Hamlet, Glacial Renovations and Bristlecone were other suggestions. No further suggestions were made. Davidson states a decision will be made by tomorrow, Sept 18th.

b.) Silvertip Update

Davidson states that framing in nearing completion and the project is moving along well.

c.) IDC Update:

Brownstone captial is pursuing private investment track, has found that they are in the queue for a HUD 221D4 Loan. These terms are much more favorable and would provide them with more financing flexibility. Hoffman would like a map on where the lots are. Davidson described verbally the lot locations.

d.) Public Housing Disposition

Davidson reports receiving two offers on the same house. One of properties will most likely be sold. This is dependent on HUD lowering the minimum for purchase price. There are three units left and one lot.

e.) Burns Street Property

Nothing to report

f.) Rural Development Self Help Program

Davidson states the big grant in final stages of preparation. Jean Curtis was approached to write a letter of support for MHA in seeking this grant. Davidson has arranged a meeting with the county commissioners at 10am, Oct, 4th to inform them of MHA's intent and to seek support. Kim Mains from Rural Development, Jeff Jordan from Neighbor Works, ROSS coordinators working on the project as well as Lori Davidson will be attending the meeting. Hoffman and Bangs expressed interest on attending and requested an email reminder. Bangs states having talked to Bill Carry who seems enthusiastic about the RD self help project.

g.) Homeless Needs Assessment

Second Poverello Public Meeting was held. The general consensus of this meeting was to pursue the option of expanding the current site for the Pov. This was not an option before, but the County has recently agreed they'd consider selling the property.

New Business

Finance Assistant has been filled. In-house hire, Jessica Bordner, will be moving from the Front Desk Receptionist position to the Finance Assistant position in the next few weeks.

Lori Davidson has just announced having spent 16 years as an employee with Missoula Housing Authority.

X. Old Business

a.) Board Development Committee

Bangs expressed interest in finding trainings on the Housing-First model. McGrath states there are not many of training for the Housing First model but there happens to be one coming up in March 2012 in New Orleans. Davidson states having a healthy budget for board training and to keep in mind any thoughts on topics the board wishes to gain more knowledge in.

A property tour will be soon to come for all board members. An email chain will go around with prospective dates and times with at least two dates for options.

XI. Adjournment: The meeting was adjourned at approximately 7:16 pm.

Jamie Hoffmann, Board Chair

Lori Davidson, Executive Director