

Missoula Housing Authority Board

Regular Board Meeting

Wednesday, November 19, 2014

-MINUTES-

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

Members Absent: None

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 5:34 pm.
- II. Attendance: See Above.
- III. Approval of Minutes: Regular Board Meeting, October 22, 2014
Lund: I have a correction; I am both present and absent. I was absent.
Board agrees
1st: Casbeer
2nd: Warren
None opposed, motion passes as amended
- IV. Commissioner comments/ Conflict of Interest Disclosure
None
- V. Public Comments on items not on the agenda

Davidson: With the Palace paid off and with Vantage Villa well on the way, I would like to give the staff a Holiday bonus this year. Suzy and I have looked at the financials and with the unknowns of Homeword in the coming year we have decided on a fairly conservative amount of \$500 per person, which will cost the agency about \$20,000. About half of this will be from the central office and the development fund, and the rest will come from various properties that are cash flowing well.

Wells: We got the point scoring in for the Tax Credits at River Ridge, and other than a small set aside project, we scored higher than any other project in the state.

Hoffmann: These are for 9% tax credits?

Wells: That's correct. So Lori and I went and watched the board allocate all of the credits

out, none of them going to us. Later on in the day Lori found a sentence in the QAP that said they could put a project on the waitlist for credits. They had 2 projects from 2015 that most likely are not going to be finished, meaning there will be returned credits. So we proposed they rank the remaining projects so that if those credits come back, staff can just forward them on to those waitlisted. So the board made the motion and we now have a contingent award for tax credits should one or the other two come back, which is likely to happen in the next couple months.

VI. Action Items

a. Resolution 1012: Authorizing loan to Garden City Neighbors to pay off loan on Stevensville land.

Davidson: We've talked for a few months about not continuing to pay interest on this land, and instead just paying it off. The Garden City Neighbors Board had a meeting on Friday to go ahead and accept the no interest soft loan, which would be payable back to MHA when the property is developed or sold. The loan we'd be paying off is for about \$141,000 which is the principal plus the interest that has accrued over the last year. And Jim Morton mentioned that his organization may have some interest in purchasing that land for future development in a year or so.

1st: Casbeer

2nd: Warren

None opposed, motion passes with all in favor

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b. Resolution 1013: Authorizing submission of SEMAP report to HUD

McGrath: SEMAP is Section 8 Management Assessment Program. Every year we are scored on the Housing Choice Voucher program for a variety of different things. I'm happy to see that once again this year we are going to score 100%. There is a section on utilization, and fortunately it can be 98% or your units leased or 98% of your funding spent. This SEMAP score is based on 2013 leasing, when we were severely underfunded, and went into spending our reserves.

1st: Casbeer

2nd: Warren

None opposed, motion passes with all in favor

VII. Staff Reports

a) Update of rental assistance programs

McGrath: For Section 8 last year, we had very little funding and spent all of it. This year we've had plenty of money, and we've been desperately trying to get our numbers up. We've gone 733 to 766, but for next year's SEMAP there's no way we're going to have 98% utilization or 98% of our funds spent. Everything we don't

spend becomes a reserve and goes into a bank account held by HUD. If we have enough reserves HUD will look at it as an offset, so instead of giving us additional money they'll tell us to spend our reserves.

Shelter Plus Care vouchers are funded annually, and if you don't spend the money they give you, you lose it. The funding is based on the fair market rents, which were very high last year so our funding was \$904,000, about \$75,000 a month. Next year the current FMR's went down about 11%, which brings the funding down to \$734,000, or \$61,000 a month. We'll have to let our numbers go down through attrition.

We are required in all of our subsidized wait lists to clean them up once a year through our annual update letter. We've always done this letter in April, however since our funding cycles come out in the spring, we tend to pull the wait lists right before we send the update letter out. We've now decided to move this update letter to the fall, so that when we're pulling in January and February we'll be pulling from an updated list.

We also now have 25 homeownership vouchers

Casbeer: Is the purge problem the only reason that the vacancy rate is lower than we want? Because the list is plenty long to draw from.

McGrath: It takes about 120 days from the moment we say we need someone in the program until they're actually admitted. The other big thing is that people also leave the program. We leased up 10 people last month, but we've had that many people leave also.

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b) MHA office space

Wells: We met with the people that may be buying the Mercantile Building. They were open to the idea of condo-ing off a floor and letting us buy a section of it. But they're still pretty early on in the process.

Davidson: We also met with another downtown owner who has a couple spaces for sale, one may be good for us but we don't know the cost or anything about it yet.

Wells: This also ties in that the first week of January we start the process for purchasing Russell Square.

Davidson: And we'll be starting due diligence on Parkside around that same time.

Wells: One of my biggest concerns when we looked to purchase Parkside is that the main infrastructure on that building; heating, cooling, boiler systems, are all 30 years old, and there's the potential for some serious long term maintenance costs. Since it already has the property tax abatement we don't automatically get that bump in income. But realistically any appraisal is going to put the property tax back in, because if anyone else were to buy it they'd have to pay the property tax. Right now the owner is getting a \$60,000 benefit from our involvement, so when we go to buy it we can put that \$60,000 back as an expense it will lower the purchase price of that property.

Davidson: If we do purchase Parkside, it could take several years of applying for tax credits, until we can get an award that will allow us to rehab it. We need to make sure we can afford to maintain it until we do get those tax credits. The board does seem to award people that are persistent with applying, so each year our chances should be greater.

Bangs: Having River Ridge committed will sure make it easier to feel comfortable about buying Parkside.

Davidson: Absolutely, and by the time we finish due diligence on Parkside, we'll know for sure on River Ridge.

c) Cooperation Agreement with city

Davidson: Emily Bentley is arranging a few different meetings right now. After those happen it will go to City Council and we'll move forward.

d) Rural Development Self-Help program

Davidson: We had our final meeting on the grant that we just closed out with the second build today. I received an email from Nancy Jacobson, that there is a chance that we may be able to get back that 10% on the new grant, so that we wouldn't have to reduce the number of houses. We are still searching frantically for families, and starting a big marketing plan. So if you have any ideas for advertising, please let us know.

Bangs: Have Holly give me a call.

Davidson: Will do. I did talk to Shelia Rice about the first year build. Five of the families have an attorney. One of the families has agreed to move ahead with the fix that we proposed from the beginning. We've had no problems with the second build.

e) Vantage Villa Update

Davidson: We've been working closely with the adjuster and are about ready to put in a change order to the insurance company. The copper piping has burst, and they want to replace it with pex. The cast iron piping is in much worse condition now because it's been exposed to the weather, so we're going after some insurance money for that too.

f) City Surplus lots

Davidson: Still waiting for the environmental review to be done so we can get that HOME award from the state to start the 6-plex.

VIII. Old Business

a. Seeley Lake property- Pat O'Herren

Davidson: There has been a conference call arranged on December 1st with the Foundation who is the potential purchaser of the 3 acres up there. They would like to see affordable housing along the highway as a part of their economic development plan.

b. Change in Procurement and Personnel policies

Davidson: No Update

c. Board training opportunities

Davidson: Legislative conference in March in Washington DC

IX. New Business

a. United Way

Hoffmann: I was approached by Michael Barton asking if the Housing Authority would give a contribution to United Way. I suggested that maybe the board could make a contribution; is that something the board would be interested in?

Lund: I'm already a medallion member through the bank

Bangs: I do as well

Hoffmann: Okay well I'll just let Mike know that commissioners already contribute through other entities.

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X. Adjournment: The regular meeting was adjourned at 6:50 pm



Jamie Hoffmann, Board Chair



Lori Davidson, Executive Director