

Missoula Housing Authority Board
Regular Board Meeting & Public Hearing
Wednesday, September 17, 2008

-MINUTES-

Members Present: Sandy Mitchell, James Hoffmann, Collin Bangs, Betty Zander, Joe Pietro, Sheila Lund, John Boyle

Members Absent: None

Staff Present: Lori Davidson, Jim McGrath, Gloria Fortier, Merah Shurtliff, Andrea Davis, Tamara Kindred, James Weir, Elizabeth Marshall

Guests Present: Keithi Worthington, Okoree Peyranzans, John Torma, Greg Borris, Scott Hollenbeck, Ken Staninger

- I. Call to Order: The meeting was called to order at 5:36 pm.
- II. Attendance: See above
- III. Minutes:
Regular Board Minutes August 20, 2008: Bangs moved to approve the minutes, Lund seconded and the minutes passed with all in favor.
- IV. Commissioner Comment/ conflict of interest disclosure: Boyle congratulated Davis on her new position as Executive Director of homeWord. Bangs and Mitchell stated they would abstain from voting on Resolution 877 due to conflict of interest of being a HCV landlord.
- V. Public Comment: Kindred stated she has not received a response from Lowe's yet regarding the sponsorship of a raffle for the Nicole Court property in Stevensville. Kindred said that this wait time is what she expected since the proposal has to go through Lowe's corporate offices. She has prepared other proposals for the raffle sponsorship for Albertson's and Home Depot but does not want to proceed without the Board's approval to do so. Hoffman stated the Board would respond later on in the meeting when further discussion could take place.
- VI. 2222 Rattlesnake:
 - a. Representatives of MCT presented a possible option for Board consideration: Davidson introduced John Torma, Facilities Manager of Missoula Children's Theater, and Greg Borris, Project Development Coordinator of Missoula Children's Theater. Torma stated MCT is looking for a facility for high school students to live in while they attend the MCT Performing Arts High School and expressed his interest in purchasing the Old Joseph Residence. Borris gave a brief synopsis of what MCT Performing Arts High School would look like and his research of what starting a performing arts school would entail. Torma asked for the Boards position and

comments on the possible sale of the Old Joseph Residence to MCT. He has taken a tour of the property with Davis and mentioned the condition of the roof due to the fire department's training mistake would come into consideration. The fire department used the property as a training facility and without authorization put holes in the roof. The fire department has since patched those holes. Hoffmann called for Board comment. Bangs stated that during the last board meeting they agreed to get a market analysis done on the property and to look at possible options for the property. Davis stated Ed Coffman has been contracted to do a market analysis and she expects the report by the end of the month. Mitchell asked Torma if MCT expects to get a good deal on the land. Torma responded they want to get as good a deal as they can, but it would only make sense to purchase not rent the property. Lund asked if MCT has researched financing. Torma stated MCT would have to put considerable money into remodeling the building. He mentioned MCT's goal is to stay within the urban core of the city and the Old Joseph Residence is in a perfect location. Torma stated they have sought financial advice and are researching this possibility closely. Hoffmann stated that the MHA's mission is to serve low to moderate income households and the biggest problem is finding land that is affordable for development. He stated that the market analysis was done to open up other possible options for the land. Hoffmann stated he would like to see what position financially MHA is in when the IDC site is further along in development, but would like to discuss the possibility of sale with MCT when there is a clearer picture of what MHA can afford to develop in the near future. Davidson is going to ask the realtors for monthly reports.

VII. Action Items:

A. Resolution 875: Approval of FY2008 Budget Revision #1:

Davidson stated, as was discussed last month, there was nothing unexpected in the budget and everything is as projected. Davidson stated that HUD is predicting a public housing operating subsidy proration closer to 89% than 82% and she is not sure how this will affect portioning out the money. Hoffmann called for questions and public comment. McGrath wanted to draw the attention of the board to the \$11,000 dollar fraud recovery in the voucher program. He stated this is due to the competent staff in the voucher program. He stated half of this money is returned to MHA. Davidson stated there was an additional \$11,000 in administrative fees for the voucher program which is not reflected in the budget because it was not definite that this would be received. Boyle moved to approve the resolution, Mitchell seconded the motion. Resolution 875 passed with all in favor.

B. Resolution 876: Approval of FY2009 Budget:

Davidson stated this budget includes a 5% cost of living raise for staff instead of the usual 3%. She stated the budget works with this increase. In response to a question by Lund, Davidson stated this is not a performance based increase, that merit-based pay in public agencies was difficult and had to be carefully structured with well-defined criteria. She added that a salary survey is almost complete. Hoffmann called for questions and comments. Boyle asked what IDC assumptions are being made. Davidson stated the assumptions made in the budget are reflected in the Garden District column most of it in staffing. The subdivision expenses would be paid in

this year's budget not next year's. Davidson stated that this budget is without assuming any sales. Boyle moved to approve the resolution, Mitchell seconded the motion. Resolution 876 passed with all in favor.

C. Resolution 877: Increasing HCV payment standard for 3+ bedroom units to 110% of FMR

McGrath stated it is prudent to raise the payment standards to 110% of FMR because of the difficulty participants have finding a unit that falls within the current payment standards. Hoffmann called for questions or comments. Bangs and Mitchell abstained. Boyle moved to approve the resolution, Lund seconded the motion. Resolution 877 passed unanimously.

D. Resolution 878: Uncollectible accounts:

Fortier explained the quarterly write offs. Hoffmann called for questions and comments. Zander moved to approve resolution 878, Boyle seconded the motion. Resolution 878 passed with all in favor.

VIII. Staff Reports:

- a. IDC Update: Davidson introduced Ken Staninger and Scott Hollenbeck. Davis stated the preliminary plat as been approved. Hollenbeck stated with that approval it allows him to start marketing the lots with the contingency that the final plat is approved. This gives considerably more marketability to the land. In response to a question Davidson stated the land could be put on the market for more than the appraised value, but MHA would be dealing with public perception if it were sold for under appraised value. There was a question whether the appraised value included improvements. Hollenbeck stated he is in agreement with the appraisal if the improvements are included. If improvements are not included then they are not in agreement that it is a marketable price. The questions about whether the EIS would be approved, when the state will complete the Russell Street frontage improvements (sidewalks, curbs, gutters, etc.), and who is going to pay for the removal of the concrete and asphalt on the site as the parcels are sold need to be answered. Hollenbeck needs these questions answered because this can be a hindrance to the sale of the land. Davis stated until the public process is complete she will not know if the EIS is approved. She stated it would be hard for the city to go back and have adjacent property owners pay for the Russell Street improvements. With the irrigation ditch problem Catlin Street will need to be improved. Davis is waiting for an estimate to be completed for the removal of the concrete and asphalt and the possible reuse. Staninger stated there have been some showings and believes he can provide a buyer or two for the land. Bangs stressed that if they bring in a for profit organization they should be in contact with MRA as soon as possible. Hollenbeck foresees the frontage lots will be the last to sell because of the Russell Street improvements. Staninger stated that the Russell Street questions need to be answered for a potential buyer to consider the front lots. Hollenbeck asked the Board to give them an extension to list the property at the appraised prices. Hollenbeck stated that the bike path can count as part of the landscaping requirement for the subdivision, and Davis clarified that it is included in the set back. There was discussion of possible routes for the bike path and changes to the lots.

Hoffmann clarified that Hollenbeck and Staninger are asking for an extension on their agreement. Davidson stated that they could hold an IDC meeting prior to the annual board meeting of MHA to vote on this extension.

Davidson said that she is looking forward to working closely with Davis in her new position at homeWord. Davis stated that she will be leaving MHA the end of September.

Weir stated that the recommendation of the review committee for MHA's master insurance policy provider was the Housing Authority Insurance Agency. HIA's premium quote provides the best premium and quality of service. Weir called HAI's references and he received very positive reviews. HAI also provides a risk prevention program and if implemented MHA could save an additional 10% on the premium. Davidson stated that HAI also offers free trainings. HAI is an agency approved by HUD to be contracted without a procurement procedure.

IX. Old Business:

a. Nicole Court public meeting: Davidson stated the Garden City Neighbors annual meeting and public meeting was held in Stevensville. Present at the meeting were the Mayor of Stevensville, the Community Planner, the architect who designed the original tax credit project, the realtor who listed the property the year it was on the market, and neighboring property owners. Davidson stated what she heard from the people of Stevensville is that they would like to see it developed, but they didn't have a strong preference as long as it paid taxes. It was also mentioned that there is a high rental vacancy rate in Stevensville. No new original ideas were presented at the meeting. Davidson stated there are three choices at this point in time for the property. One is ask for a loan extension and hold onto the property and see if the market turns around and development is an option. The second option would be to list the property but the price would be lower than needed to cover the expenses but enough to cover the bank loan. Davidson stated there are not many realtors who are interested in this property. The third option would be to raffle off the land. Boyle asked if the realtor had any comments or suggestions. Davidson stated the realtor said they should break the land up into lots and build manufactured housing. Davidson stated this is not a viable option at this point. In response to a question Davidson said we owe \$165,600 and the land was purchased for \$200,000 which included the allocation of tax credits. Due to problems with the City of Stevensville the tax credit deadline was not met and GCN was unable to use those tax credits. Boyle preferred to possibly list the land at a price where someone might buy it and move that money back into Missoula.

b. Boyle stated the idea of holding a raffle is a great idea for MHA but for something other than land in Stevensville. Bangs appreciates all the efforts that have been made to research the raffle idea but is not excited about the Stevensville property, and said one of the problems is setting a value on the property for the raffle. Mitchell stated she thinks more tickets sold at a lower price would be better than a lower number of tickets at a higher price. There was discussion of different ticket prices. Lund asked if there were any restrictions on advertising the raffle out of state. Worthington stated that raffles are

not covered by the Department of Revenue unless there was a complaint or if something went wrong. She also stated the raffle could not be marketed outside of Montana. Internet advertising is a gray area. McGrath urged the Board to allow MHA to come up with an idea to sell this land and let MHA staff move forward with a plan where MHA loses as little money as possible. He also strongly urged the Board to give staff of MHA authorization to structure a plan on their own and not put limitations on them.

Worthington stated she recommends setting a threshold number of tickets and print a statement on the tickets sold that if that threshold number of tickets is not sold the tickets will be returned. She also mentioned setting an end date for the ticket sales which will keep the raffle from going on for an indefinite amount of time. There has to be strict accounting and marketing procedures which in turn takes a lot of man hours. Proceeds of the raffle cannot be used to administer the raffle. Kindred responded that the reason for sponsorship is to cover the marketing and the man hours. She stated that staff of MHA would not spend their time on administering the raffle. Worthington stated she provides representation to Stevensville and stated she believes this land is developable. She stated there has been a lot of development in and near Stevensville that does not appear to be selling. Worthington does not believe the market is there to sell the land and make any money.

McGrath asked for direction from the Board. Hoffmann stated that he is authorizing the staff to seek sponsorship for a raffle. Bangs stated he feels it is a mistake to keep the property off the market any longer, but said he would like to hear back from Lowe's about receiving sponsorship; then a decision can be made on how to proceed. Lund stated a raffle is not a bad idea. Boyle is in favor of listing the property at a more reasonable price, but if sponsorship is obtained he would endorse the raffle. Hoffmann called for a Board decision to direct staff to seek sponsorship for the raffle. Mitchell moved to direct the staff to have a formal plan prepared to be voted on by the next board meeting. Kindred stated that the average wait time on a response for sponsorship is eight weeks and does not feel that it is possible to have a response by next month's board meeting. Bangs seconded the motion. Hoffmann called for public comment. Mitchell stated she wants a proposal by the next board meeting and if there is no sponsorship then the land goes on the market immediately. Peitro wants the land put on the market as soon as possible. McGrath stated he does not see an immediate sale of the land. He said staff will bring as much information they can have to the next board meeting given the time constraint. Motion carried with all in favor.

- c. Board Strategic Planning: Davidson stated that she would like to include the restructuring of Davis' position in the board strategic planning. Davidson would also like the mission statement to be reviewed and possibly create a vision statement. She has been speaking with Melissa Bangs as a possible facilitator. The Board gave Lori direction to pick a facilitator. Davidson recommends a day in early November. Boyle and Lund mentioned they would like information about the National NAHRO conference that will be held the end of October in San Antonio, TX. Bangs spoke in favor of having a board strategic planning day. Davidson stated with Davis's departure there will be a big gap left in MHA for in house supervision and this would be very beneficial to discuss.

d. Staff satisfaction survey: Mitchell stated she has not finished this yet and offered to let someone else take this over. Mitchell stated there are different approaches to a staff satisfaction survey and wants to make sure the end goal is reached. Mitchell stated she is going to get help from someone who has experience in creating and implementing a staff satisfaction survey in the past.

X. New Business: NONE

XI. Adjournment: The meeting was closed at 8:33 p.m.

XII. Personnel Matter (closed Meeting)

James Hoffmann, Board Chair

Lori Davidson, Interim Executive Director