

**SOUTH METRO HOUSING OPTIONS
BOARD OF COMMISSIONERS**

**Minutes of Regular Meeting
June 11, 2015**

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, June 11, 2015 at 5745 South Bannock Street, Littleton, Colorado 80120.

THOSE PRESENT: Chairman Andrew Hancock, Vice Chairman Stewart Meagher, Commissioners Libby Bortz, Kyle Henderson, Aaron Heumann, and Esther Varela

THOSE ABSENT: Commissioner John Ostermiller

ALSO PRESENT: Jo Hamit, Executive Director; Gerald Humphries, Finance Manager; Jerry Hill, citizen.

Chairman Hancock called the meeting to order at 6:50 p.m. and declared a quorum present. The revised agenda was reviewed and accepted.

It was moved by COMMISSIONER HENDERSON and seconded by COMMISSIONER BORTZ THAT THE MINUTES OF THE MAY 7, 2015 REGULAR MEETING BE APPROVED AS WRITTEN.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela

Nays: None

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1

Finance Manager Humphries presented the April 2015 financial reports, the seventh month of Fiscal Year 2015. Through April, the agency year-to-date (YTD) total revenue is \$4,704,426, which is 2% below projections. Mr. Humphries stated SMHO has not yet received \$138,980 in deferred developer fees for the Powers Circle Apartments (PCA) Project, and he has asked the staff of SB Clark Associates to investigate further into the cause of the delay. Expenses are \$4,571,864, which is 3% above year-to-date projections. A number of public housing capital fund grant expenses have been incurred but not reimbursed by the Department of Housing and

Urban Development (HUD), which are expected to be drawn down on the 2015 capital fund budget. Staff continues to wait for the completion of an environmental review, currently being conducted by Arapahoe County, which is required before the funds can be drawn.

Finance Manager Humphries explained that expenses for the final year of the Tobacco Grant from Tri-county Health will be made in June and drawn down in July. Executive Director Hamit stated that SMHO expects to continue working with the Tri-county Health Department on a broader effort to promote healthy living. There may be future sources of funding available to promote such an effort. Vice Chairman Meagher asked if there was any funding from the Colorado Trust that would benefit the promotion of better mental health. Executive Director Hamit stated that she would investigate if any funding is available from that source.

Commissioner Bortz asked how Section 8 participants are able to “port in” to Littleton. Executive Director Hamit explained that participants can either be absorbed into the Littleton program, if vouchers are available, or administered by SMHO staff if vouchers are not available. In the administration scenario, the jurisdiction from which participants are porting out pay an administration fee to SMHO.

Finance Manager Humphries stated that he is beginning the budget process with staff and has asked all managers to review their department statuses for the upcoming year.

It was moved by COMMISSIONER BORTZ and seconded by VICE CHAIRMAN MEAGHER THAT THE APRIL 2015 FINANCIAL REPORTS BE APPROVED AS PRESENTED.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela

Nays: None

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1

Executive Director Hamit presented the following administrative items:

- ***Resolution 15-12 Rent Increase for the Powers Circle Apartments Project***

Recently, staff reviewed the current rents for the Powers Circle Apartments (PCA) Project and conducted an informal rent comparability study in the community to determine whether a rent increase for the project was warranted. Data from five comparable projects (two of which are tax credit projects) were reviewed, and staff determined that rents could be increased to amounts that are well within the ranges of the five projects assessed. Furthermore, the proposed rents are below the maximum increases permitted by CHFA for tax credit projects in the jurisdiction. Staff recommended that rents be increased for all new leases, effective immediately, and increased at the time of the next lease renewal for existing tenants.

The Board engaged in a discussion regarding the proposal and had the following concerns:

- What impact would some of the more significant rental increases have on the existing tenants?
- What is the rationale for not proposing the maximum rents?
- What methodology do other leasing agents and property owners use in raising rents?

The Board agreed to table the proposal and asked staff to bring additional information to the July regular board meeting to address the above concerns.

- A new contract rent increase for the Alyson Court property was approved by the Colorado Housing and Finance Authority (CHFA), effective October 7, 2015. The contract rent will be raised from \$868 to \$896 per month. The rent increase will not impact the resident portion of the total rent.
- The Board Retreat has been scheduled for Wednesday, June 17, from 12:00 Noon until 6:00 p.m. at the South Metro Denver Board of Realtors Building at 7899 South Lincoln Street.
- There will be a public hearing on July 9, 2015 at 6:30, preceding the regular board meeting to hear comments regarding the 2015-2019 proposed SMHO Agency Plan. The plan is currently out for public comment and will be reviewed by the SMHO Resident Advisory Board. The Agency Plan will be submitted to HUD no later than July 18, 2015.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HEUMANN TO ADJOURN THE MEETING. The motion carried. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 8:00 p.m.

ATTEST:

Andrew Hancock
Chairman

Jo Hamit
Secretary