

# SOUTH METRO HOUSING OPTIONS BOARD OF COMMISSIONERS

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## Minutes of Regular Meeting March 6, 2014

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The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, March 6, 2014 at 5745 South Bannock Street, Littleton, Colorado 80120.

THOSE PRESENT: Chairman Andrew Hancock, Vice Chairman Stewart Meagher, Commissioners Aaron Heumann, John Ostermiller, Brad Uhlig, and Esther Varela

THOSE ABSENT: Commissioner Libby Bortz

ALSO PRESENT: Dan Burnham, Executive Director; Jo Hamit, Assistant Director; Gerald Humphries, Operations Manager; Amber Hunter and David Heisterkamp, Wagenlander & Heisterkamp, LLC; Jerry Hill, 5444 South Prince Street, and Katherine and Scott Stekr, 6393 S. Greenwood Street, Littleton, Colorado 80120, citizens.

Chairman Hancock called the meeting to order at 6:45 p.m. and declared a quorum present. There were no changes to the proposed agenda which was reviewed and accepted as presented.

Mr. Stekr addressed the Board to request financial assistance with the construction of a fence adjacent to the west side of the public housing site on South Greenwood. The Stekr's home abuts the family public housing site. Over the past few weeks, they have experienced vandalism to their property and have applied for a permit from the City to build a six-foot cedar fence. They commented that the public housing neighbors are good neighbors and do not know if they have experienced vandalism during that time period.

The estimated cost of the fence is approximately \$6,000. Mr. Stekr informed the Board he intends to construct the fence and the cost could be less than the estimate. The Board and staff requested a copy of the estimate now and the final cost upon completion. SMHO agreed to pay 50% of the final cost of the fence.

The minutes of the February 6, 2014 regular meeting were reviewed. Vice Chairperson Meagher requested the following change:

Page 2; ¶6 should read: "Vice Chairman Meagher asked why the ~~method~~ **policy** for returning program income for the housing rehabilitation program to Arapahoe County had changed."

It was moved by VICE CHAIRMAN MEAGHER and seconded by COMMISSIONER HEUMANN THAT THE MINUTES OF THE FEBRUARY 6, 2014 REGULAR MEETING BE APPROVED AS AMENDED.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Heumann, Ostermiller, Uhlig and Varela.

Nays: None

Absent: Commissioner Bortz

Motion Carried: 6:0:1

Gerald Humphries, Operations Manager, presented the January 2013 financial reports, representing 33% of the 2014 fiscal year. Through January, the agency year-to-date (YTD) total revenue is \$3,587,491, which is 3% above projections. YTD expenses are \$3,375,950, which is approximately 4.4% under projections.

Manager Humphries informed the Board that the 2013 audit will be finalized later this month. Staff is currently completing the Management's Discussion and Analysis (MD&A) portion of the audit. In addition, the final audit and tax return for the Powers Circle Apartments Limited Liability Partnership (PCALLLP) was completed and sent to Michel Associates, the tax credit partner.

Agency computer replacements and upgrades are almost completed. All computers now have the same versions of various programs and are compatible.

Chairman Hancock asked about the length of the cellular rooftop leases and whether the companies lease the entire roofs. Director Burnham replied that the leases are typically for five years and only a portion of the roof is included in the lease.

It was moved by COMMISSIONER UHLIG and seconded by COMMISSIONER HEUMANN TO APPROVE THE JANUARY 2014 FINANCIAL REPORTS AS PRESENTED.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Heumann, Ostermiller, Uhlig and Varela.

Nays: None

Absent: Commissioner Bortz

Motion Carried: 6:0:1

Director Burnham presented the following administrative items:

a) ***Resolution 14-02 Nelrod Executive Compensation Study***

In 2012, the Department of Housing and Urban Development (HUD) directed housing authorities to conduct a Compensation Comparability Analysis for the five highest paid positions within the agency. The analysis was completed and no further action was required.

In 2014, HUD issued Notice PIH 2014-1 requiring each public housing agency to conduct the analysis for 1) the top management officer (Executive Director); 2) the top financial officer; and 3) the next highest compensated employee. The notice requires the Director and top financial officer to be included even if their salaries are not the highest within the agency.

HUD requires the results of the analysis to be completed and submitted to the Field Office no later than February 28 of each year. SMHO contracted with the Nelrod Consortium to provide the analysis. An extensive database using private and public sources has been compiled by Nelrod. The study utilizes information from W-2s and encompasses salary, retirement plans and total compensation including medical and dental benefits.

Salaries for each of the positions compared were within the ranges established by HUD. Only the portion of each salary attributable to public housing and all Section 8 programs are included in the analysis.

As another part of the analysis, the Board is required to establish what determines a “Significant Change to Compensation”. The Board may adopt the Federal Cost of Living Adjustment (COLA) or a percentage of salary based on various factors within the area, including local pay studies.

It was moved by COMMISSIONER VARELA and seconded by COMMISSIONER OSTERMILLER TO ADOPT RESOLUTION 14-02 ACCEPTING THE 2014 COMPENSATION COMPARABILITY STUDY ANALYSIS REPORT AND ESTABLISHING THE “SIGNIFICANT CHANGE IN COMPENSATION” TO BE SET AT NO GREATER THAN TEN PERCENT (10%) OF THE CURRENT EXECUTIVE SALARY.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Heumann, Ostermiller, Uhlig and Varela.

Nays: None

Absent: Commissioner Bortz

Motion Carried: 6:0:1

b) ***Update from February Board Meeting***

In her remarks last month, Ms. Marianne Perko requested that a shorter “grandfathering in” period be considered for the Powers Circle Apartments Smoke-Free Policy. The policy established the grandfathering in period through November 30, 2014.

As a part of the policy implementation, current residents were required to submit a request for exemption to the policy by January 31, 2014 in order to utilize the grandfathering in period. As of February 1, 2014, no resident had requested the exemption. The Smoke-Free policy is in effect for all residents and no one is eligible for the grandfathering in period.

c) *New Commissioner*

City Council reappointed Stewart Meagher to the SMHO Board in February. In addition, Kyle Henderson was appointed to fill the remaining vacancy. Mr. Henderson will begin his duties in April.

The City of Littleton will be offering Board and Commission training on March 27, 2014 at 6 p.m. in the Community Room at Littleton Center.

d) *NAHRO Conference*

Information was provided to the Board regarding the upcoming Colorado National Association of Housing and Redevelopment Officials (NAHRO) conference to be held in Grand Junction on May 21-23. Various tracks, including commissioner training and information, are offered during the conference.

e) *Solar Rewards Community Program*

SMHO participated in Xcel Energy’s Solar Reward Community Program 2013 with four public housing units. Xcel Energy contacted staff in December of 2013 offering the program to an additional 20 homes.

As a part of the program, five percent of the participants must be low income. The program utilizes the Saguache Solar Garden and the 20 homes will become part of the grid in the solar array.

Residents are able to receive a credit on their electricity. No solar panels are attached to the home. The solar will remain with the home as residents move out. The sites included for 2014 are Euclid, Gallup, Elati, Weaver/Sterne, Foresthill, and Fox.

f) *Area Housing Authority Information*

Information was provided to the Board regarding the size; types of housing; number of staff; and current and future development projects for each of the area housing authorities.

Vice Chairman Meagher asked if the redevelopment projects listed for Boulder Housing Partners (BHP) was renovation of the current housing stock. Director Burnham replied that BHP has

received approval for participation in the Rental Assistance Demonstration (RAD) program. They will be converting or disposing of the current public housing stock as part of RAD.

Chairman Hancock asked if SMHO was going to participate in RAD. Director Burnham responded that the Board directed staff to pursue RAD in 2013. A total of 60,000 units nationwide were included in the initial RAD demonstration. Currently, there are approximately 170,000 units nationwide on a waiting list for the RAD conversion. SMHO is proceeding with the application and will submit later this year. At this point, HUD has not announced another demonstration.

The benefits of RAD were discussed. Staff provided information regarding the advantages of the program, including less reliance on HUD, additional flexibility in tenant recertifications and stable funding based on the Section 8 New Construction model. The use of Low Income Housing Tax Credits coupled with RAD will provide for renovations to the properties.

***g) Rental Reasonableness Program***

As a result of an audit recommendation and pursuant to Section 8 Management Assessment Program (SEMAP) and Section 8 Housing Choice Administrative Plan requirements, SMHO contracted with the Nelrod Consortium to purchase their EZ-Reasonable Rent Determination program. The program continually builds a database, including nine HUD-required characteristics when approving eligible units. The characteristics include, but are not limited to, size of unit, type of unit, age of the unit, amenities and utility information.

Staff will enter the information for each unit and the program will assign point values based on the criteria for each characteristic. After the information is matched, an objective reasonable rent will be calculated. The staff will be able to approve or reject a unit based on the information provided. The program will also store all information for every participant.

Staff will be incorporating the program in the Section 8 Administrative Plan and will provide a resolution for the Board at the May meeting.

***h) Website Enhancement***

The SMHO website has been upgraded and now provides translation capability for all information in over 80 languages.

***i) Update on Construction Projects***

The Amity Plaza Community Room Renovation Project is expected to be completed by March 15. Included in the project is renovation of the lobby and front office. A grand re-opening celebration is scheduled for late spring.

The Powers Circle Apartments Renovation Project is anticipated to be completed by April 17. Staff is currently coordinating the relocation of existing residents. At the present time, 37 new leases have been executed and approximately seven leases are being signed weekly.

Vice Chairman Meagher suggested that staff do an analysis on “lessons learned” from the project. He also suggested staff contact the City to do a short video on the project for Channel 8.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER VARELA to recess the regular meeting into Executive Session at 7:33 p.m. Those present at the Executive Session were: Chairman Hancock, Vice Chairman Meagher, Commissioners Heumann, Ostermiller, Uhlig and Varela; Executive Director Burnham; Assistant Director Hamit; and Amber Hunter and David Heisterkamp, legal counsel for SMHO.

Amber Hunter and David Heisterkamp left the Executive Session at 8:02 p.m. Executive Director Burnham and Assistant Director Hamit left the Executive Session at 8:11 p.m.

The regular meeting was reconvened at 8:31 p.m. The Board appointed Jo Hamit, Assistant Director, as Interim Executive Director upon the retirement of Dan Burnham on May 15, 2014.

The next regular meeting will be held on Thursday, April 3, 2014 at 6:30 p.m.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER VARELA TO ADJOURN THE MEETING. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 8:32 p.m.

ATTEST:

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Andrew Hancock  
Chairman

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Dan Burnham  
Secretary