

**SOUTH METRO HOUSING OPTIONS
BOARD OF COMMISSIONERS**

**Minutes of Regular Meeting
June 5, 2014**

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, June 5, 2014 at 5745 South Bannock Street, Littleton, Colorado 80120.

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

THOSE ABSENT: Commissioner Kyle Henderson

ALSO PRESENT: Jo Hamit, Interim Executive Director; and Gerald Humphries, Operations Manager.

Chairman Hancock called the meeting to order at 6:51 p.m. and declared a quorum present. There were no changes to the proposed agenda which was reviewed and accepted as presented.

The minutes of the May 1, 2014 annual meeting were reviewed.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER VARELA THAT THE MINUTES OF THE MAY 1, 2014 REGULAR MEETING BE APPROVED AS WRITTEN.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

Gerald Humphries, Operations Manager, presented the April 2014 financial reports. Through April, the agency year-to-date (YTD) total revenue is \$6,304,699, which is 4% above projections. YTD expenses are \$5,878,791, which is approximately 4.5% under projections.

Manager Humphries reported that he has nearly completed work on the Powers Circle Apartments cost certification. He expects all costs to be in by December 2014.

It was moved by VICE CHAIRMAN MEAGHER and seconded by COMMISSIONER OSTERMILLER TO APPROVE THE APRIL 2014 FINANCIAL REPORTS AS PRESENTED.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

Director Hamit presented the following administrative items:

a) ***Resolution 14-12 -- 2014 Medical Marijuana and Marijuana Policy***

HUD issued guidance and direction regarding medical marijuana in February 2011. HUD has not issued any guidance on non-medical marijuana; however, the 2011 guidance can be applied to non-medical marijuana use in Colorado since they are now both legal in the state. In its guidance document, HUD differentiates between new applicants and current residents.

HUD's position on newly admitted families is one of zero tolerance. Marijuana users are prohibited from being admitted into public housing and housing choice voucher programs under the Quality Housing and Work Responsibility Act of 1988 (QHWRA). HUD contends that the federal drug law prohibiting the use of federally-defined controlled substances (marijuana being one) preempts the state laws.

SMHO's proposed policy mirrors the HUD position for new admissions to all housing programs. While it is unlikely that applicants who are using marijuana will voluntarily provide usage information to SMHO, the policy dictates that SMHO personnel shall notify new applicants of the prohibition of marijuana use (both medical and non-medical), and that applicants who provide false information in this regard may be subject to legal action for fraud and other violations.

For current participants of federally-funded housing programs, HUD requires that housing authorities establish occupancy standards and lease provisions that *allow* termination of assistance for use of controlled substances, but do not *compel* termination of assistance or eviction. Housing authorities have discretion to implement policies that are appropriate for the standards of their communities. HUD has determined that housing authorities can decide when to terminate assistance or evict a tenant for marijuana use, and that a policy for such be adopted.

SMHO's proposed policy mirrors the latter approach and dictates that termination of a lease and/or eviction shall be undertaken when the possession or use of a controlled substance, including marijuana, is determined to: 1) be abusive; 2) interfere with the health, safety or right to peaceful enjoyment by other residents or participants; or 3) interfere with SMHO's management of the project or program.

HUD also has determined that housing authorities *may not* grant reasonable accommodations for the use of medical marijuana under any circumstances, which effectively disallows the submission of medical marijuana as a medical expense.

Staff has consulted extensively with legal counsel on this issue and has worked jointly with their staff on the development of the proposed policy.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER OSTERMILLER TO ADOPT RESOLUTION 14-12 ADOPTING THE MEDICAL MARIJUANA AND MARIJUANA POLICY, EFFECTIVE IMMEDIATELY.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

b) Powers Circle Update

Construction on the project and all related inspections are now complete. One unit remains to be leased. Certificates of substantial completion were executed on May 26, 2014 and forwarded to the lender and investor. Landscaping and parking lot work is expected to be completed by mid-June.

c) Boards and Commissions Dinner

The Boards and Commissions dinner will be held on June 26 at Hudson Gardens.

The next regular meeting will be held on Thursday, July 10, 2014 at 6:30 p.m. A public hearing for the agency plan will be held just prior to the regular meeting.

It was moved by COMMISSIONER VARELA and seconded by COMMISSIONER HEUMANN to recess the regular meeting into Executive Session at 7:20 p.m. Those present at the Executive Session were: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Heumann, Ostermiller, and Varela; and Interim Executive Director Hamit.

The regular meeting was reconvened at 7:55 p.m.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER OSTERMILLER TO ADJOURN THE MEETING. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 7:58 p.m.

ATTEST:

Andrew Hancock
Chairman

Jo Hamit
Acting Secretary