

**SOUTH METRO HOUSING OPTIONS  
BOARD OF COMMISSIONERS**

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**Minutes of Regular Meeting  
July 10, 2014**

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The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, July 10, 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; Amber Hunter and Dave Heisterkamp, Wagenlander and Heisterkamp, LLC; Jerry Hill, citizen.

Chairman Hancock called the meeting to order at 6:38 p.m. and declared a quorum present. The agenda was reviewed. Interim Director Hamit requested that Item 7(c) be added to the agenda. The agenda was accepted as presented.

There were no unscheduled or scheduled appearances.

The minutes of the June 5, 2014 regular meeting were reviewed.

It was moved by VICE CHAIRMAN MEAGHER and seconded by COMMISSIONER HEUMANN THAT THE MINUTES OF THE JUNE 5, 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 May 2014 financial reports. Through May, the agency year-to-date (YTD) total revenue is \$7,152,332, which is 3.7% above projections. YTD expenses are \$6,783,879, which is approximately 3.58% under projections.

Manager Humphries reported that he has been working on the Powers Circle cost certification. The audit is underway and representatives from Feldhake & Associates have been on the premises this week to review files. Powers Circle is now 100% leased.

Manager Humphries stated that the expenses for temporary labor are showing a negative balance. Director Hamit noted that recent hires have been made through a temporary agency and the original budget did not accommodate the number of employees who have been hired using this approach, which has proven to be beneficial in terms of identifying the best candidates for employment.

Commissioner Bortz inquired about the membership fee to the Colorado Housing and Finance Authority (CHFA). Director Hamit stated that the fee is for the REACH program, which is based on the number of multi-family units in the agency's inventory. The membership fee covers a wide variety of trainings for all staff to attend throughout the year at no additional cost to the agency.

Commissioner Varela noted that several of the bullet points on the cumulative financial reports appear to be duplicative. Manager Humphries said he would investigate and correct those items.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER VARELA THAT THE MAY 2014 FINANCIAL REPORTS BE APPROVED AS PRESENTED.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

Interim Director Hamit presented the following administrative items:

a) *Approval of Updates to Administrative Plan and Admissions and Continued Occupancy Policy*

SMHO utilizes two policy documents to administer its Section 8 Housing Choice Voucher and Public Housing Programs—the Administrative Plan for the Section 8 Housing Choice Voucher Program and the Admissions and Continued Occupancy Policy (ACOP) for Public Housing Programs.

In November 2013, SMHO purchased model policy documents for the Administrative Plan and the Admissions and Continued Occupancy Policy from Nan McKay and Associates, Inc. The

purchase of the model plans includes, in addition to the basic plan, the receipt of regular updates to the plans with suggested model language that incorporate regulation changes implemented by HUD. Since the beginning of the calendar year, staff has worked intermittently on merging the existing plans with the model plans to reflect the agency's preferred policies with updated regulations.

The format of the model policies includes a greater level of detail than SMHO currently has in its existing policies, including references to specific HUD regulations and an explanation of the regulations. This format is valuable to the staff when enforcing policies, as well as when providing information to tenants about rationales for particular actions taken by SMHO. For the most part, the updating of the policies consists of adding this additional level of detail; however, there are several sections of the policies where substantive changes have been made. These have been summarized for the Board.

It was moved by COMMISSIONER OSTERMILLER and seconded by COMMISSIONER BORTZ TO APPROVE THE UPDATED FORMAT AND CHANGES FOR THE SECTION 8 ADMINISTRATIVE PLAN AND THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

***b) 2014-2015 Agency Plan***

Under the Housing Reform Act of 1998, public housing agencies (PHAs) have been required to submit an annual Agency Plan to the Department of Housing and Urban Development (HUD), addressing a variety of components for the Public Housing and Section 8 Housing Choice Voucher programs, including: housing needs; financial resources; eligibility, selection and admissions policies; rent determination policies; capital improvement needs for public housing; and plans for demolition or disposition. PHAs are also required to submit a five-year plan every fifth year, stating their missions and goals and objectives for the coming five-year period. South Metro Housing Options (SMHO) submitted its third five-year plan in 2010, covering the fiscal years of 2010 through 2014. This year's Annual Plan will be the final year in the current five-year plan. The next five-year plan will be submitted in July 2015 for fiscal years 2015-2019.

If PHAs experience any substantial deviation from their annual or five-year plans, they are required to amend their plans and submit them to HUD for approval, following a public comment period and a public hearing. PHAs are permitted to define "substantial deviation" as they see fit. SMHO defines "substantial deviation" as:

- Changes to rent or admissions policies or organization of the waiting lists
- Additions of non-emergency work items (items not included in the current annual statement or five-year action plan)
- Change of replacement reserve funds under the Capital Fund
- Any change with regard to demolition or disposition
- Any change with regard to homeownership programs funded with Section 8 or Public Housing funds
- Any change with regard to conversion activities

For the 2014-2015 year, SMHO does not anticipate any substantial deviation from its plan.

In 2008, Title VII of the Housing and Economic Recovery Act (HERA) was enacted, which designates “qualified” public housing agencies (those with fewer than 550 public housing and housing choice vouchers who are in good standing with HUD) as exempt from the requirement to prepare and submit an annual plan. However, HERA does require qualified PHAs to:

1. Publish a notice for and hold a public hearing regarding any changes to their goals, objectives and policies and invite the public to comment on such changes; and
2. Submit a Civil Rights Certification to the local HUD field office.

A public notice was published on the agency website and in the Denver Post. During the current fiscal year, SMHO enacted two new housing program policies, as follows:

- Smoke-free Policy
- Medical Marijuana and Marijuana Policy

SMHO’s flat rents for the Public Housing Program, which are based on 100% of current Fair Market Rents established by HUD, increased for 2014. The comparison is shown below:

|               | <u>2013</u> | <u>2014</u> |
|---------------|-------------|-------------|
| One-bedroom   | \$ 705      | \$ 726      |
| Two-bedroom   | \$ 893      | \$ 940      |
| Three-bedroom | \$1,268     | \$ 1,379    |
| Four-bedroom  | \$1,478     | \$ 1,599    |
| Five-bedroom  | \$1,699     | \$ 1,839    |

The two new policies, rent changes and the capital fund budget for public housing were presented to the SMHO resident advisory board and made available to the general public for review and comment. One member of the Resident Advisory Board responded and provided positive comments endorsing the two new policies. There were no attendees at the public hearing on July 10, 2014.

Having met the requirements of a public hearing and resident advisory board review of policy changes, SMHO has met its obligation regarding the annual agency plan for the 2014-15 fiscal year. No board action is required.

***c) Resolution 14-13 – Prevailing Wage for Maintenance Employees***

Each year, the Littleton Housing Authority receives an annual funding allocation of capital funds from HUD to supplement modernization and operations expenses for the Public Housing Program. Subject to the U.S. Housing Act of 1937 and in conjunction with HUD regulation 24 CFR 968.110, the housing authority is required to adopt a prevailing wage on an annual basis for its maintenance employees who perform modernization work. Housing authorities are given several options for determining their prevailing wage rates, including: 1) employer surveys; 2) negotiated collective bargaining rates; or 3) wage rates of the city or county.

Historically, the Littleton Housing Authority has adopted the wage rates of the City of Littleton, and staff has determined that this option for determining prevailing wage rates continues to be the most appropriate method for adopting prevailing wage rates for the housing authority. Current wage rates for the City were provided to the Board.

HUD's Department of Labor requires that the wage rate determination be adopted by the Board of Commissioners at least 60 days prior to the submission of the Authority's next fiscal year budget.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HEUMANN TO APPROVE THE UPDATED FORMAT AND CHANGES FOR THE SECTION 8 ADMINISTRATIVE PLAN AND THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY.

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

Nays:               None

Absent:             Commissioner Henderson

Motion Carried:  6:0:1

***d) Miscellaneous***

The Spaghetti Dinner Fundraiser for the Omnibus will be held on July 24 at 5:30 p.m. at the Libby Bortz Assisted Living Center. The event is close to being sold out.

The fence at Bradley House has been repaired.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER VARELA to recess the regular meeting into Executive Session at 7:05 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 8:27 p.m.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER OSTERMILLER to move forward on a pending legal case with the strategies as discussed with legal counsel in Executive Session.

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

Nays: None

Absent: Commissioner Henderson

Motion Carried: 6:0:1

It was moved by COMMISSIONER VARELA and seconded by COMMISSIONER OSTERMILLER to make a formal offer of employment to Christopher Shaffner as discussed in Executive Session.

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

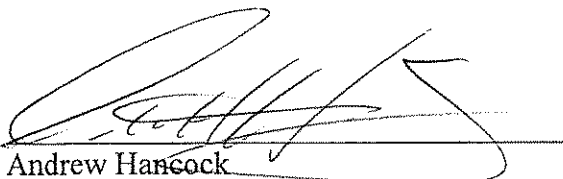
Nays: None

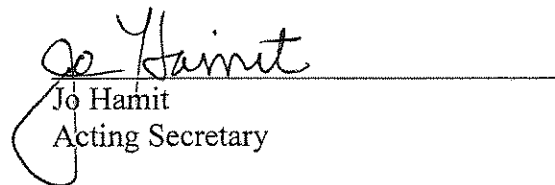
Absent: Commissioner Henderson

Motion Carried: 6:0:1

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HEUMANN TO ADJOURN THE MEETING. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 8:35 p.m.

ATTEST:

  
Andrew Hancock  
Chairman

  
Jo Hamit  
Acting Secretary