

## **SOUTH METRO HOUSING OPTIONS BOARD OF COMMISSIONERS**

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### **Minutes of Regular Meeting February 13, 2020**

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The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, February 13, 2020 at 5808 S. Rapp Street, Suite 100, Littleton, Colorado 80120.

THOSE PRESENT: Chairman Kyle Henderson, Vice Chairperson Pat Cronenberger, Commissioners Aubrey Ebbs (via teleconference), Aaron Heumann, Mike Madrid, and Sandra Petry

THOSE ABSENT: Commissioner Stewart Meagher

ALSO PRESENT: Corey Reitz, Executive Director; Lauren Money, Director of Finance; Catherine Roberts, Executive Assistant, Marcy Plamondon, Executive Director of Libby Bortz, Kelly Milliman, City of Littleton Councilmember

Citizen Jerry Hill

Chairman Kyle Henderson called the meeting to order at 6:01 pm.

The agenda was reviewed. There were two additions to the original agenda: Finance department update from Ms. Money and update on Tri-cities homeless group. The revised agenda was accepted.

There were no unscheduled public appearances.

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The minutes of the January 9, 2020 regular meeting were reviewed.

It was moved by VICE CHAIRPERSON CRONENBERGER and seconded by COMMISSIONER MADRID THAT THE MINUTES OF THE JANUARY 9, 2020 REGULAR MEETING BE APPROVED.

Ayes: Chairman Henderson, Vice Chairperson Cronenberger, Commissioners Ebbs, Heumann, Madrid, and Petry

Nays: None

Absent: Commissioner Meagher

Motion Carried: 6:0:1

### **Item #6 Financial Reports**

Director of Finance, Lauren Money, presented the financial reports.

### **Project Results**

#### **Amity Plaza**

##### **For the Four Months Ended January 31, 2020**

- Amity Plaza operates 180 Project-Based Section 8 Rental Assistance (PBRA) units and was 98% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was \$554,429, which was \$377 (0.1%) below the budgeted amount.
- Maximum allowable rent increased in 2019, driving an increase in HAP and the superior performance of this property.

#### **Alyson Court**

##### **For the Four Months Ended January 31, 2020**

- Alyson Court operates 60 Project Based Section 8 units and was 92% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was -\$8,032, which was \$27,237 (141.8%) below the budgeted amount.
- The budget for this property includes \$20,000 YTD in anticipated grand funds from Arapahoe County, which are yet to be received.

#### **Bradley House**

##### **For the Four Months Ended January 31, 2020**

- Bradley House operates 72 Rental Assistance Demonstration (RAD) units and was 93% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was -\$28,004, which was \$37,224 (403.7%) below the budgeted amount.
- The budget for this property includes \$159,562 YTD in anticipated capital funds from HUD, which are yet to be received and used for non-routine maintenance.

#### **John Newey**

##### **For the Four Months Ended January 31, 2020**

- John Newey operates 20 Project Based Section 8 units and was 80% occupied at the end of the month.

- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was -\$50,469, which was \$56,444 (52.8%) above the budgeted amount.
- Four properties are currently offline awaiting environmental clean-up, of which \$55,846 has been budgeted YTD and not yet spent.

## **Public Housing**

### **For the Four Months Ended January 31, 2020**

- Public Housing operates 71 low-income Public Housing units and was 83% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service and capital outlay was -\$32,203, which was \$131,122 (80.3%) above the budgeted amount.
- The budget for this property includes \$49,204 YTD in modernization grant funds from HUD, which are yet to be received.
- YTD environmental clean-up costs in the amount of \$116,267 have yet to be incurred.

## **Housing Choice Vouchers**

### **For the Four Months Ended January 31, 2020**

- South Metro Housing Options (SMHO) administered 1039 Section 8 Housing Choice Vouchers to very low-income families for privately-owned decent and safe housing options.
- Net cash generated from operations for the fiscal year-to-date (YTD) period was \$71,288, which was \$72,433 (6326.5%) above the budgeted amount.
- Monthly HAP was increased to include a portion of the HUD held reserves, resulting in higher revenue than expected.
- A lump sum payment of administrative fees was expected YTD but paid by HUD prior to this fiscal year.

## **Development Fund**

### **For the Four Months Ended January 31, 2020**

- The Development Fund allows for the investment in property development to fulfill the mission of SMHO.
- Net cash generated from operations for the fiscal year-to-date (YTD) period was -\$310,206, which was \$13,976 (4.7%) below the budgeted amount.
- The cash proceeds from the John Newey refinance have yet to be moved over to Development, driving lower interest revenue than expected.
- Office rent due to SMHO general fund in the amount of \$29,956 was projected YTD but not yet paid.

## **Rapp Street**

### **For the Four Months Ended January 31, 2020**

- Rapp Street operates 23 commercial business units and was 83% occupied at the end of the month
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service and capital outlay was -\$203,911, which was \$47,273 (30.2%) below the budgeted amount.
- The actual rental revenues for this property were \$85,875 compared to the budgeted amount of \$153,636, driven by a one-month delay in third-party accounting.
- YTD gas expenses are lower than anticipated but expected to even out in the coming months.

**Libby Bortz Assisted Living**

**For the Three Months Ended December 31, 2020**

- Libby Bortz Assisted Living operates 111 affordable assisted living units for the elderly and was 75% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was -\$26,397, which was \$11,782 (30.9%) above the budgeted amount.
- Vacancy is driving lower rental and services revenues, as well as resident services expenses. A plan of action has been established and implemented in January.

**Powers Circle Apartments**

**For the One Month Ended January 31, 2020**

- Powers Circle Apartments operates 69 low-income affordable rental units and was 94% occupied at the end of the month.
- Net cash generated from operations for the fiscal year-to-date (YTD) period before depreciation/amortization and after debt service, capital outlay, and reserve contributions was \$6,858, which was \$16,876 (168.5%) above the budgeted amount.
- YTD rental revenue was \$2,509 more than projected due to a quick increase in occupancy.
- Maintenance expenses were projected at \$11,792 compared to actual YTD maintenance of \$3,968. The janitorial expense has yet to be paid and temporary labor cost is lower than anticipated.

It was moved by COMMISSIONER EBBS and seconded by COMMISSIONER MADRID THAT THE JANUARY 2020 SMHO AND POWERS CIRCLE FINANCIALS, AND THE DECEMBER 2019 LBALC FINANCIALS BE APPROVED.

Ayes: Chairman Henderson, Vice Chairperson Cronenberger, Commissioners Ebbs, Heumann, Madrid, and Petry

Nays: None

Absent: Commissioner Meagher

Motion Carried: 6:0:1

## **Item # 7 Resolutions - None**

### **Item # 8 – Staff Reports**

- Finance Department update (Lauren)

Vision of finance department is to provide better financial transparency and support the growth and development of SMHO. Team has been working on the tools and processes to provide the support to the organization. Have been looking at where inefficiencies exist and what policies/procedures need to be added or revised. The team has been doing a lot of cross-training and professional development, determining their different roles and responsibilities.

- Section 22 update (Corey)

There was a call with HUD staff to discuss some of the details of the Section 22 application and to get some clarification on SMHO's plan. The call went well and SMHO staff felt positive about the call and the application/approval process. The expectation is that HUD will be responding with an approval or with required changes within 30-60 days. SMHO staff has been meeting with each household to discuss their plans and preferences through the transition.

- Littleton Housing Taskforce (Corey)

SMHO will be leading the taskforce that will be a continuation of the previous group that worked with BBC Consulting on the 2017 Littleton Housing Study and recommendations. The group members are still being finalized, but there should be between 10-12 people on the taskforce. The plan right now is to schedule the first meeting sometime in March, once the members are finalized.

- Foster Youth to Independence initiative (Corey)

This program has been discussed previously and SMHO still intends to apply for 25 vouchers that would assist youth transitioning out of foster care for up to 36 months. There was a meeting held with other local human service agencies that would form a Continuum of Care to assist the youth with supportive services during this process. A Memorandum of Understanding (MOU) will be created between SMHO and the other partners that will be working with the youth. The application to HUD will be submitted once the MOU is completed.

- Employee survey (Corey)

An employee survey was conducted in the month of December through Employers Council in Denver. The online survey included 48 multiple choice questions and two open-ended questions. 28/33 employees completed the survey and over all the survey results were very positive. The couple of areas where the results were not as positive will be addressed in more detail at the upcoming staff retreat.

- 1<sup>st</sup> quarter bonus results (Corey)

The previous quarter was the 1<sup>st</sup> quarter of the new employee bonus program. The bonus is broken down by organization, department, and individual. This round the bonus included only organizational and departmental goals. All employees achieved the organization portion of the goals. Some departments met all of their department goals, while others only met a portion of their goals. There was no consistent tracking form the previous quarter, but there will be one moving forward that will assist managers in tracking all of the goals and progress.

- Tri-cities Homelessness Group

Director Reitz attended his first meeting this morning in Englewood. The group includes mayors, city staff, city council, police and other agencies from Sheridan, Englewood, and Littleton. One of the initiatives the group is currently working on is a homeless study in conjunction with a DU research group.

### **Item #9 Commissioner Reports**

- Real Estate
  - Talked about Section 22 and long-term implications of transitioning the homes, as well as the long-term affordability of the homes
  - Discussed delaying the 9% application for Powers/Elati
- Governance/Personnel
  - Been working on Executive Director's performance appraisal

### **Item #10 Other Business—None**

### **Item #11 Next Meeting: March 12, 2020 @ 6:00 p.m.**

### **Item #12 Executive Session**

It was moved by COMMISSIONER MADRID and seconded by COMMISSIONER HEUMANN THAT THE MEETING BE MOVED INTO EXECUTIVE SESSION. At 7:33 p.m. the Board of Commissioners of South Metro Housing Options was called into Executive Session as provided in Title 24, Article 6 (Colorado Sunshine Law), Part 4 (Open Meeting Law): Sub-section 24-6-402(4)(f), to discuss personnel matters

### **Item #13 - Adjourn**

It was moved by COMMISSIONER HEUMANN and seconded by VICE CHAIRPERSON CRONENBERGER THAT THE MEETING BE ADJOURNED. The motion carried. There being no further business, CHAIRMAN HENDERSON adjourned the meeting at 8:35 p.m.

ATTEST:

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Kyle Henderson  
Chairman

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Corey Reitz  
Secretary