

SOUTH METRO HOUSING OPTIONS BOARD OF COMMISSIONERS

Minutes of Regular Meeting January 9, 2020

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, January 9, 2020 at 5808 S. Rapp Street, Suite 100, Littleton, Colorado 80120.

THOSE PRESENT: Vice Chairperson Pat Cronenberger, Commissioners Aubrey Ebbs, Aaron Heumann, Mike Madrid, Stewart Meagher, and Sandra Petry

THOSE ABSENT: Chairman Kyle Henderson

ALSO PRESENT: Corey Reitz, Executive Director; Ivan Anaya, Director of Real Estate; Lauren Money, Director of Finance; Catherine Roberts, Executive Assistant, Marcy Plamondon, Executive Director of Libby Bortz Assisted Living Center, Kelly Milliman, City of Littleton Councilmember.

Citizens Jerry Hill; Jeanie Erickson

Vice Chairperson Cronenberger called the meeting to order 6:00 p.m.

The agenda was reviewed and accepted.

There was one unscheduled public appearance.

Jeannie Erickson:

Ms. Erickson announced that she lives in District 1. She had recently attended a City council meeting where they signed an amendment to allow refugees to come to Littleton. Ms. Erickson said that refugees need housing too and she does not think it is a good idea for SMHO to sell the scattered sites. She asked if the Federal Government had decided as to the scattered sites. Ms. Erickson then said she had another meeting and could not attend the rest of the board meeting.

Vice Chairperson Cronenberger closed the Unscheduled Public Appearances section of the meeting.

There were no scheduled public appearances.

The minutes of the December 12, 2019 regular meeting were reviewed.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER PETRY THAT THE MINUTES OF THE DECEMBER 12, 2019 REGULAR MEETING BE APPROVED.

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

Nays: None

Absent: Chairman Henderson

Motion Carried: 6:0:1

Item #6 Financial Reports

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

South Metro Housing Options (SMHO) Consolidated For the three months ended December 31, 2019.

- As of December 31, 2019, the SMHO combined operations (excluding Libby Bortz Assisted Living and Powers Circle Apartments) generated net cash from operations in the amount of \$301,492, which is \$179,074, or 146.3%, above the budgeted amount.
- The total rents and other revenues budgeted for this year-to-date (YTD) period was \$3,566,871 with actual revenues earned of \$3,425,443, which is 4.0% below budget.
- The YTD expenses total \$3,123,952, which is 9.3% less than the budgeted amount of \$3,444,453.
- Capital funds in the amount of \$171,574 for the development, financing, and modernization of public housing are included in the fiscal year 2020 budget, which have yet to be received.

Libby Bortz Assisted Living For the two months ended November 30, 2019

- As of November 30, 2019, Libby Bortz Assisted Living Center (LBALC) generated a net loss from operations in the amount of \$24,350, which is \$37,273, or 60.5%, above the budgeted amount.
- Adjusted cash flow from operations (earnings before interest, depreciation, & amortization) was \$36,083, resulting in a YTD debt service coverage ratio (DSCR) of 0.82.
- The total rents and other revenues budgeted for this year-to-date (YTD) period was \$573,258 with actual revenues earned of \$504,505, which is 12.0% below budget.
- The YTD expenses total \$528,854, which is 16.7% less than the budgeted amount of \$634,881.

Powers Circle Apartments

For the twelve months ended December 31, 2019

- As of December 31, 2019, Powers Circle Apartments generated a net loss from operations in the amount of \$258,895, which is \$59,977, or 30.2%, below the budgeted amount.
- Adjusted cash flow from operations (earnings before interest, depreciation, & amortization) was \$186,807, resulting in a YTD debt service coverage ratio (DSCR) of 1.00.
- The total rents and other revenues budgeted for this year-to-date (YTD) period was \$786,684 with actual revenues earned of \$703,501, which is 10.6% below budget.
- The YTD expenses total \$962,396, which is 2.4% less than the budgeted amount of \$985,602.

Kelly Milliman, newly elected Littleton City Councilmember and Marcy Plamondon, Executive Director at LBALC, arrived, apologizing for their tardiness. Vice Chairperson Cronenberger introduced Ms. Milliman to the group.

Ms. Plamondon gave an update on LBALC.

Like a lot of healthcare facilities, LBALC has experienced some issues with staffing. A lot of time has been spent over the past few months recruiting and interviewing for different positions, but at this time it seems that staffing has stabilized.

Census has been down for the past few months and has been a concern. Due to the lower reimbursement rate of InnovAge residents, a cap was put in place last year to limit the number of residents receiving InnovAge. To help with the declining census, the InnovAge cap is being raised, which will allow several current LBALC residents to remain in the facility. It will also attract new residents to help fill the vacancies.

The Expanded Care unit has helped with both vacancies and budget, but it is not enough of an impact to make up for the current high number of vacancies. Ms. Plamondon and Mr. Reitz have discussed the possibility of adding a Marketing/Communications position, because it seems a lot of people are unaware of LBALC. A lot of the competition, especially in Assisted Living Centers, have staff dedicated to marketing and updating their social media on a regular basis.

Commissioner Ebbs asked about the reasons that people are moving out of LBALC. Some of the factors are the large amount of new Assisted Living Centers being built in the area; residents that may need a higher level of care than LBALC can provide; deaths; a more complicated application process due to LBALC being financed under the Low Income Housing Tax Credit (LIHTC) program. Another challenge is that people in the community incorrectly think the facility has no vacancies and has a long waiting list.

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

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

Nays: None

Absent: Chairman Henderson

Motion Carried: 6:0:1

Resolution 20-01: Electronic Funds Transfer Approval Policy

Lauren Money, Director of Finance, presented information on Resolution 20-01.

Resolution 20-01 will incorporate the same policy currently in place for physical checks for EFT (Electronic Funds Transfers). Any EFT payments over \$10,000 will require approval of the Executive Director & either the Board Chair or Vice Chair before the payment can be released. This will be done through the banking system websites used for the processing of payments and dual approval.

It was moved by COMMISSIONER MEAGHER and seconded by COMMISSIONER EBBS TO ADOPT RESOLUTION 20-01, APPROVING the PROPOSED ELECTRONIC FUNDS TRANSFER POLICY.

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

Nays: None

Absent: Chairman Henderson

Motion Carried: 6:0:1

Resolution 20-02: Designation of Posting Place for and Location and Dates of Public Meetings

Resolution 20-02 specifically names the physical and electronic locations for Public Postings in accordance with Senate Bill 33, The State of Colorado Sunshine Act. SMHO has designated the window adjacent to the front door of the SMHO administrative offices and the SMHO website as the official posting places for public meeting notices.

It was moved by COMMISSIONER MADRID and seconded by COMMISSIONER HEUMANN TO ADOPT RESOLUTION 20-02, APPROVING the DESIGNATION OF POSTING PLACE FOR AND LOCATION AND DATES OF PUBLIC MEETINGS.

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

Nays: None

Absent: Chairman Henderson

Motion Carried: 6:0:1

Item # 8 – Staff Reports

- City Council liaison
 - Kelly Milliman, who was introduced earlier, is the City of Littleton council member liaison to SMHO. Vice Chairperson Cronenberger asked the Board members and staff to introduce themselves to Ms. Milliman. Vice Chairperson Cronenberger started, by introducing the absent Chairman, Kyle Henderson. After all introductions, Ms. Milliman gave the group a synopsis of her background and how she came to run for City Council. She thanked everyone and looks forward to engaging with SMHO.
- Housing Study Committee
 - SMHO has volunteered to lead the next version of the Housing Task Force that worked with City Staff, City Council, and BBC Consulting around the Littleton Housing Study that was conducted in 2017. The committee will consist of SMHO staff and board members, City Council member Milliman, City Staff, and other citizens of Littleton. The committee will review and implement recommendations from the housing study, as well work with the city on related housing issues.
- Real Estate Update
 - Section 22 – repositioning of 71 scattered site housing units. Goal is to stay around the 80% Area Median Income (AMI) average for sale price. Application was submitted to HUD in mid-December. HUD staff emailed Corey today and said there will be a response within 60 days from now.
 - Powers & Elati – going to submit LIHTC application next February, which is a change in plans. The application is due early next month, so the decision not to apply was probably a good one due to the flood and uncertainty with Section 22.
 - Flood – on December 23 water flooded the 2nd floor directly above SMHO’s space, came down through the ceiling, and flooded the south side of our space (approximately ½ of our total space). The ceiling and insulation had to be torn out and most likely we will need to replace flooring, HVAC, and electrical. Staff has been great through this very difficult and challenging time, keeping a positive attitude and continuing to do their work.
 - Acquisitions – SMHO has recently put in a couple of offers to purchase a multifamily property but has been unsuccessful. The concern is that other buyers will purchase the property, renovate, and then raise the rents, whereas SMHO would buy the property, renovate, and maintain the current rents to keep the

property affordable (affordable housing preservation). Losing these affordable units will just add to the affordable housing crisis.

Item #9 Commissioner Reports

- There is a summary report of the Envision Comprehensive Plan now available.

Item #10 Other Business—None

Item #11 – Next Meeting: February 13, 2020 @ 6:00 p.m.

Item #12 - Adjourn

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER MADRID THAT THE MEETING BE ADJOURNED. The motion carried. There being no further business, VICE CHAIRPERSON CRONENBERGER adjourned the meeting at 7:25 pm.

ATTEST:

Pat Cronenberger
Vice Chairperson

Corey Reitz
Secretary