



South Metro Housing Options

Strengthening our community by creating opportunities for diverse housing alternatives.

**Board of Commissioners
Minutes of Regular Meeting
March 11, 2021 at 6:00 p.m.**

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, March 11, 2021 at 6:00 p.m. MST remotely via Zoom Video Communications Meeting ID: 896 9357 9171 and Password: 511286, or dial-in number (346) 248-7799.

Commissioners Present

Kyle Henderson, Chairman
Pat Cronenberger, Vice
Chairperson
Stewart Meagher, Commissioner
Aubrey Ebbs, Commissioner
Aaron Heumann, Commissioner
Sandra Petry, Resident
Commissioner

Commissioners Absent

None

SMHO Leaders/Others Present

Corey Reitz, Executive Director
Lauren Money, Deputy Director &
Director of Finance
Iván Anaya, Director of Real Estate
Kelly Milliman, Littleton City
Council
Alden Moon, Haynie & Company
Cindy Van, Haynie & Company
Chris Parker, Hinkle & Company
Tim Ahopelto, Hinkle & Company
Pam Chadbourne, Community
Member
Jeanie Erickson, Community
Member

Board Meeting Minutes

Call to Order

Chairman Henderson called the meeting to order on March 11, 2021 at 6:01 p.m. MST. A quorum of members was present, and the meeting was ready to proceed with business.

Review of the Agenda

Chairman Henderson reviewed the agenda. The agenda was adopted by the Board.

Unscheduled Public Appearances

A member of the Littleton community, Pam Chadbourne, spoke to the Board about her desire to see income, age, and cultural integration in new developments and not repeating the mistakes of the past.

Scheduled Public Appearances

Haynie & Company: Powers Circle Apartments External Audit

Alden Moon and Cindy Van represented Haynie & Company as the auditors for Powers Circle Apartments, LLLP (PCALLLP). Mr. Moon provided a brief summary of the audit, an explanation of the auditors' opinion, a review of the financial statements, and addressed Commissioner questions. The audit did not reveal any fraud



South Metro Housing Options

issues, significant findings, disagreements with management, control findings, or anything materially misleading. Overall, there were not any significant or material findings.

Valuation of PCALLLP was discussed and while no impairment was necessary, the auditors recommended the review and consideration of impairment on an annual basis. The auditors commended SMHO for its expense control and minimal use of cash in the current COVID environment. The financial notes on loans and notes payable were pointed out as the outstanding balances will need to be paid with positive operating cash flow once generated.

The audit was accepted by the Board.

Hinkle & Company, PC: SMHO Annual Agency External Audit

Chris Parker and Tim Ahopelto represented Hinkle & Company, PC as the auditors for the annual agency external audit. Mr. Parker presented the audit report to the Board. As part of the audit process, the auditors conducted interviews, risk assessments, testing, and analytical procedures. Their opinion is a clean opinion and states financial statement presentation fairly. It was noted that the net positions for Libby Bortz Assisted Living Center (LBALC) and John Newey were negative due to insufficient revenue to cover operating expenses. Overall, there were no findings with a finding dropped from the previous year and no disagreements with management. There were no new accounting policies noted with only routine minor adjustments proposed.

The audit was accepted by the Board.

VOTE: Approval of the Minutes of February 11, 2021 Regular Meeting

Upon motion duly made by VICE CHAIRPERSON CRONENBERGER and seconded by COMMISSIONER HEUMANN, THE BOARD UNANIMOUSLY VOTED TO APPROVE THE MINUTES OF THE FEBRUARY 11, 2021 REGULAR MEETING.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, Commissioner Ebbs, and Commissioner Petry

NAY: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED: 6:0:0

Financial Reports

Finance Committee Comments

Commissioner Meagher provided a report from the Finance Committee. The Committee had lots of good data to work with, which was provided by the SMHO Finance team. The Committee recommends that the Board review the dashboard. Vacancy has been an area of focus over the last several months and the Committee took a more comprehensive look this month with the expectation that some vacancies are to be expected given the overall demographic of the population for which SMHO serves. The Board was referred to the Finance Committee meeting minutes for a detailed narrative of what was discussed, including additional recommendations to the Board.



South Metro Housing Options

VOTE: SMHO, Powers Circle Apartments, & Libby Bortz Assisted Living Center Financial Reports

Deputy Director & Director of Finance, Lauren Money, presented the financial reports. Project results were reported as of February 28, 2021. A high-level overview was provided and changes to account balances, budget variances, and vacancies were examined. On a consolidated basis (excluding Libby Bortz Assisted Living Center (LBALC) and Powers Circle Apartments (PCALLLP)), SMHO has continued to remain in a strong financial position with a slightly elevated resident accounts receivable ratio when interagency receivable balances are excluded. LBALC and PCALLLP remain on close watch but are performing well so far year-to-date (YTD) in terms of net income and performance ratios. The liquidity and leverage ratios still need some work, but it will take time for the positive impact from performance to trickle over to the balance sheet.

Make ready time, the implementation of a new dashboard, and waitlists were discussed in more detail.

Upon motion duly made by COMMISSIONER EBBS and seconded by COMMISSIONER MEAGHER, THE BOARD UNANIMOUSLY VOTED TO APPROVE THE FINANCIAL REPORTS AS OF FEBRUARY 28, 2021.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, Commissioner Ebbs, and Commissioner Petry

NAY: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED: 6:0:0

Resolutions

VOTE: Resolution 21-04: Amity Plaza Refinance

Director Money presented Resolution 21-04 pertaining to the proposed refinance of Amity Plaza. The Board was presented with three different scenarios including maximum cash out with an immediate development or acquisition opportunity, maximum cash out with no immediate development or acquisition opportunity, and rate and term should no cash out be needed. All three scenarios make sense based on the needs of SMHO. SMHO is trying to grow its portfolio, and this creates that opportunity to safely maintain and leverage in order to add more units.

Upon motion duly made by COMMISSIONER MEAGHER and seconded by VICE CHAIRPERSON CRONENBERGER, THE BOARD VOTED TO APPROVE RESOLUTION 21-04, AUTHORIZING THE REFINANCE OF THE AMITY PLAZA MORTGAGE LOAN AND FORMATION OF AMITY PLAZA, LLC.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, and Commissioner Petry

NAY: None

ABSTAIN: Commissioner Ebbs



South Metro Housing Options

ABSENT: None

MOTION CARRIED: 5:0:1

VOTE: Resolution 21-05: Public Housing Operating Fund

Executive Director Reitz presented Resolution 21-05 for the 2021 Public Housing operating fund. While the full amount of the annual operating fund is not expected to be drawn down due to the Section 22 conversion, a portion of the funds will be drawn down each month until the conversion is complete.

Upon motion duly made by COMMISSIONER MEAGHER and seconded by COMMISSIONER HEUMANN, THE BOARD UNANIMOUSLY VOTED TO APPROVE RESOLUTION 21-05, AUTHORIZING THE 2021 PUBLIC HOUSING OPERATING FUND.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, Commissioner Ebbs, and Commissioner Petry

NAY: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED: 6:0:0

VOTE: Resolution 21-06: Bad Debt Write Off

Director Money presented Resolution 21-06 regarding the write off of bad debt. SMHO policy for the write off of bad debt was explained and a list of receivables deemed uncollectable by property was provided and proposed to write off.

Upon motion duly made by VICE CHAIRPERSON CRONENBERGER and seconded by COMMISSIONER MEAGHER, THE BOARD UNANIMOUSLY VOTED TO APPROVE RESOLUTION 21-06, AUTHORIZING THE WRITE OFF OF BAD DEBT.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, Commissioner Ebbs, and Commissioner Petry

NAY: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED: 6:0:0



Staff Reports

Finance Update

Director Money provided an update on behalf of the Finance and Procurement departments. Staffing and current department initiatives including updating policies and procedures, external audits, and 1099's were mentioned.

Commissioner Handbook

Executive Director Reitz updated the Board on the revised Commissioner Handbook. SMHO staff has been working on editing and the final version will be done before the new board members join.

Commissioner Reports

Recognition of Service – Stew Meagher

The Board recognized and honored Commissioner Meagher for his service on the Board. He has been involved with SMHO for more than twenty years, initially as a liaison and now as a commissioner.

Update on Board Vacancies

The Board will have two new commissioners join next month. Official information is not available yet regarding who will be the new commissioners.

Committee Assignment Process

With the addition of new commissioners, it is necessary for the Board to review and potentially reassign committees. Commissioners were requested to email Chairman Henderson with their top three ranked committee preferences. Chairman Henderson will discuss with the new commissioners to better assess the best fit for them.

Other Commissioner Reports

Commissioners discussed the most recent assignment for the book club, *The Color of Law*. Context of the book was discussed. Any commissioners and SMHO staff present that have not finished the book were asked to do so by the April Board meeting. It was noted that the author of the book provided the closing keynote at the most recent NAHRO conference.

Diversity in SMHO housing was mentioned including the wide variety of diversity in all types of races, ages, and capabilities.

The Littleton Housing Taskforce is presenting to City Council on March 23, 2021. The presentation is not just surrounding affordable housing, but rather about housing in general, of which affordable housing is a component. There is an affordable housing bill on the docket that will change the landscape in Colorado and Littleton, as well. It is important that Littleton City Council is made aware of this bill, which will present opportunities for redevelopment.

Other Business

No other business was discussed.

Next Meeting

The next Board of Commissioners of South Metro Housing Options meeting is scheduled for April 8, 2021 at 6:00 p.m. MDT. The meeting will be held virtually on Zoom.



South Metro Housing Options

Executive Session

VOTE: Executive Session

Upon motion duly made by VICE CHAIRPERSON CRONENBERGER and seconded by COMMISSIONER HEUMANN, THE BOARD UNANIMOUSLY VOTED TO ENTER EXECUTIVE SESSION AT 7:56 P.M. MST AS PROVIDED IN TITLE 24, ARTICLE 6 (COLORADO SUNSHINE LAW), PART 4 (OPEN MEETING LAW): SUB-SECTION 24-6-402(4)(a), CRS TO DISCUSS THE PURCHASE, ACQUISITION, LEASE, TRANSFER OR SALE OR ANY REAL, PERSONAL, OR OTHER PROPERTY INTEREST.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Meagher, Commissioner Ebbs, and Commissioner Petry

NAY: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED: 6:0:0

Adjournment

Upon motion duly made by COMMISSIONER HEUMANN, THE REGULAR BOARD MEETING ON MARCH 11, 2021 WAS ADJOURNED AT 8:33 p.m. MST. The motion carried.

ATTEST:

X

Kyle Henderson
Chairman

X

Corey Reitz
Secretary