

**MINUTES OF THE MARCH 25, 2008 REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF YAMHILL COUNTY**

The Board of Commissioners of the Housing Authority of Yamhill County (HAYC) met on Tuesday, March 25, 2008, at the Abbey Heights Community Room, 219 12th Street, Lafayette, Oregon. Board members present were: Chair Joyce Morrow, Commissioners Phil Griffin, Jean Kinman, Barbara Knutson, Dave Newville and Phil Griffin. Staff members present were: Elise Hui, Mark Davis, James Umfleet, Cliff Hardy, Jonia Pierce and Yanira Vera.

Chair Morrow called the regular meeting to order at 7:30 p.m.

Commissioner Newville moved to approve the minutes of the February 26, 2008 meeting. The motion was seconded by Commissioner Griffin and unanimously approved.

As there were no FSS graduates for the month and no public comment, we moved on to the list of expenditures. Joyce said she reviewed the list of expenditures and didn't have any questions or concerns.

James reported on the financial reports. Total revenue was \$963,064 and total expenses were \$944,495 for a net income of \$18,569. Approximate cash flow for the month was a positive \$13,148. As agreed to last meeting, James added a cash flow adjustment for the Village Quarter developer fee being accrued. This lowered year-to-date cash flow to a positive \$42,844. We should receive the developer fee funds in Spring 2009.

James reported on the Abbey Heights 2007 Audited Financials. Total revenue was \$202,800 and total expenses were \$353,355 for a net loss of \$150,555. While a loss is expected and desired by the limited partner due to depreciation expense, the actual loss was significantly more than budgeted. There were many vacancies in the summer, and utilities and maintenance costs were over budget. Hopefully the steps we took to lower water usage will help with the utility costs, and for additional revenue we raised rents February 1st.

James reported on the Sunflower Park 2007 Audited Financials. Total revenue was \$247,108 and total expenses were \$405,389 for a net loss of \$158,281. Like Abbey Heights, the loss is close to the projected budget. Sunflower Park performed adequately with a mild positive cash flow for the year.

Cliff and Yanira reported on families served. Total families served increased 11 to 1,893. Overall occupancy increased .20% to 95.9%. Woodside currently has only 1 vacancy. Haworth is now at 100%, and Vittoria is now at 100% until our ex-employee, Wilma, moves out at the end of the month. Abbey also has only 1 vacancy pending the hire of a new site manager. We continue to pull from the Section 8 wait list to increase voucher utilization. We had a resident advisory board meeting (with only 2 attendees), which went just fine. We held a public hearing but there were not any attendees, which is fairly normal for public hearings. We have updated our Section 8 Admin Plan to include Homeownership, and we've already had over 60 families express interest in it.

In Mike's absence, we do not have an updated maintenance and construction report. Yanira reported that there are 160 work orders currently open in Yardi. Joyce thanked Yanira for helping fill in for Mike.

Mark reported on Development.

Village Quarter: Construction continues, but the contractor is a little behind schedule, and we are pressing them to stay on the agreed upon schedule. Real Estate Investment Group, the realtor handling the retail space, gave us a report updating us on the leasing activities they have performed. They are going to provide monthly reports from here on out. They have tried numerous marketing techniques, but do not have any serious prospects yet.

New Reflections: We obtained an option on a lot along Norton lane, but the owners refused to sign the conditional use permit application to the City, stopping our ability to move forward with the application. We could have begun a legal battle with them and probably won, but our attorney's recommendation is to simply locate elsewhere. We have received our earnest money back and are looking for other lots. Dave asked about the lot we own next to the office. Mark said it is not zoned correctly for this project. Dave said he will keep his eye out for foreclosures that might be suitable, as will Jonia. In New Business, staff is requesting a predevelopment budget to allow us to move ahead.

Vittoria Square Rehab: RD has offered us 1.7 million to do the rehab work we had previously agreed to, plus more work they would like included. We are awaiting Mike's return to analyze whether the additional money will cover the cost of the additional work.

Jonia reported on homeownership activities. The environmental requirements for the City of Newberg have been completed and funds are released, we are working to meet the remaining OHCS first draw requirements. Diane has begun working to pre-approve potential clients. The grant application for the City of Sheridan was completed and submitted before the deadline. OHCS has 60 days to award applicants. There are 15 applications with funding for only 6. Since we were not awarded the Resource Center Capacity Grant, we're working again with Yamhill CDC and Polk CDC to reassess and re-submit another application. The dispute regarding carpeting installed in our Willamina house has moved into the small claims process with a hearing on April 15th.

Under the category of New Business, Elise reported that it is once again time to submit our agency plan and along with that our certification of compliance with HUD rules.

Commissioner Knutson moved to approve Resolution 08-03 authorizing the approval of, and submission of, the Streamlined Annual PHA Plan and PHA Certification of Compliance with the PHA Plans and Related Regulations. The motion was seconded by Commissioner Newville and unanimously approved.

Also under the category of New Business was the Intent to Purchase Heritage Place Apartments. Don has completed a preliminary calculation of the estimated purchase price based on the IRS Section 42 formula, and has come up with \$2,414,000. There is still the possibility Bowen Property management may oppose the purchase, but we will have to wait for their response to our offer letter to know for sure. Dave asked where the funding to purchase the property would come from. Mark explained that our contract with Bowen states that we would get cash equivalent to 25% of the purchase price. The rest of the funding would come from assuming the existing debt. Elise said we may also utilize some

LRPH sale proceeds if we have any by the time we need it. Commissioner Newville moved to authorize staff to send a letter of intent to purchase Heritage Place Apartments to Bowen Real Estate Group and proceed with the purchase of the property, provided the purchase price is at or below \$2,500,000. The motion was seconded by Commissioner Knutson and unanimously approved.

Under the category of New Business was the New Reflections Predevelopment Budget. Given the difficulty finding appropriate land, we may need to purchase the land before we get the funding. We would front half the cost of the land and the County has agreed to cover the other half until the project is funded. Dave expressed concern about our available cash to spend on this. James explained that the last unrestricted reserves report showed about \$190,000 available cash, although if needed we could also borrow from Tice and Woodside replacement reserves until we sell LRPH properties. The ADF application is due in April, and we feel it would be a stronger application if we were shown owning the land. Staff requests a predevelopment budget of \$98,000, which includes:

1. Legal costs - \$3,000
2. Land - \$75,000
3. HAYC Personnel costs - \$10,000
4. Architect/consultant costs - \$10,000

Phil expressed concern about expanding our operations at this time when our available cash is so low, and the LRPH sale approval is still not guaranteed. Mark said we would try to proceed with just paying an earnest money amount if at all possible. Commissioner Griffin moved to authorize staff to spend up to \$98,000 to purchase land for New Reflections and pursue funding for its construction. The motion was seconded by Commissioner Newville and unanimously approved.

Under the Management Report section, Barbara asked what “backfilling” meant. Staff explained that Heather is temporarily filling a Section 8 caseworker position, and we have a temp worker from Express Personnel temporarily filling Heather’s previous front desk position.

Elise added that we are still working with Jeff Borg on putting together a marketing presentation for our programs and properties, which will include filming testimonials.

Elise handed out information on “Commissioners’ Fundamentals” training provided by NAHRO and asked any commissioners to let her know if they were interested.

Joyce adjourned the regular meeting at 8:35 p.m.

Respectfully Submitted,

Elise Hui
Executive Director/Secretary