

**MINUTES OF THE JUNE 24, 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, June 24, 2008, at the HAYC offices, 135 NE Dunn Place, McMinnville, Oregon. Board members present were: Chair Joyce Morrow, Commissioners Phil Griffin, Jean Kinman, Barbara Knutson and Dave Newville. Staff members present were: Elise Hui, Mark Davis, James Umfleet, Jonia Pierce, Mike Jager, Cliff Hardy and Yanira Vera.

Chair Morrow called the regular meeting to order at 7:13 p.m.

Commissioner Newville moved to approve the minutes of the May 27, 2008 meeting. The motion was seconded by Commissioner Knutson 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.

Under reports of committees, there was discussion about the PNRN NAHRO Conference. Joyce reported at last month's meeting, but Phil was absent, so is now reporting. He enjoyed the conference very much. He learned about New Market Tax Credits. He learned about effective messaging to the public: use key words that bring a positive image, such as "hardworking people", "children", and "building a better life".

James reported on the financial reports. Total revenue was \$974,480 and total expenses were \$978,340 for a net loss of \$3,860. Approximate cash flow for the month was a negative \$9,596. Dave asked why we have showed negative numbers lately. James explained that we are trying to spend Section 8 HAP reserves, and are spending more HAP funds than we are receiving at this time.

Cliff and Yanira reported on families served. Total families served remained at 1,840. Overall occupancy decreased 2.15% to 94.74%. The vacancies fell in most properties at the same time, because tenants move more often in the summer months. We will discontinue managing Jandina at the end of the month as Rural Development could not come up with enough funding to fully fund the project. Cliff said that Judi is working hard to lease-up, but many applicants are not qualifying. We are focusing on HCV terminations and doing what we can to work with the tenants rather than kick them off the program.

Mike reported on maintenance and construction. Average time to complete work orders was 9.9 days. There were many work orders, but they were completed quickly. Mike is working on Vittoria Square rehab, and is having discussions with the contractor and architect. Joyce said that the News Register reported we received a grant of \$125,219. Mike said that is the LRPB Capital Fund for this past year. Joyce said we will try to invest that money into the LRPB properties before we sell all of them off so we do not have to return it to HUD.

Mark reported on Development:

New Reflections: In an unusual twist, the State offered an additional \$50,000 grant funds on top of the \$150,000 that we requested and they approved. We are now working on the

OHCS CFC application for \$150,000 to \$200,000 grant funds with a deadline of July 25th, and Spirit Mountain Community Fund application for \$75,000 with a deadline of August 15th. We have selected Marcia Mikesch to do preliminary architectural work. The construction budget is \$700,000, with grant funds of about \$400,000, and debt of \$300,000. Phil asked is there are any “green” aspects to New Reflections. Mark said we are working with the architect on that. The State offers funding for certain green features. *Village Quarter*: Construction is going very well, and the contractor is no longer behind schedule, but one week ahead of schedule. The red brick on the exterior is going up. All of the exterior will be complete in the next month. We still have not heard of serious interest in the retail space.

Jonia reported on Homeownership.

We sold the house on 4th place in Willamina. We have interested parties in the house on Bridge Street in Sheridan, but no earnest money put down yet. We are applying for a \$3,000 Loss Mitigation grant with the state, which would fund the purchase of software and/or training costs.

Under the category of Unfinished Business, Elise provided an update on LRPB Disposition. Elise reported that we have started the process of selling properties. She provided a tracking report of each unit’s sales status. It is going well, with numerous offers coming in, some from existing tenants, and some new owners. Some of the new owners want to keep the existing tenants. There is a concern that the sale proceeds can only be used for HUD programs. Don attended a training program, where the HUD rep said we should not seek clarification on how we can use the sale proceeds. Therefore, we will just follow our disposition plan that we submitted and HUD approved.

Under the category of New Business, James reported on the Operating and Capital Budgets for FY2009. We will need to add the \$125,219 LRPB capital fund grant, as James didn’t realize we would be getting a capital fund grant this year until today. For FY2009 operating revenues are expected to increase by \$988,480 to \$12,319,223, and operating expenses are expected to increase \$1,023,298 to \$12,067,352. Adding excitement to the budget is the sale of LRPB properties and developer fees for Village Quarter and New Reflections. A combined net income of \$3,567,124 is estimated, and positive cash flow of \$6,631,954. We have moved to management fees for all our properties instead of allocating indirect costs. Commissioner Neville moved to approve the Operating and Capital Budgets for FY2009. The motion was seconded by Commissioner Kinman and unanimously approved.

Under the category of New Business was Tenant Write-Offs. James reported that total tenant write-offs of \$56,147 are requested for approval. This represents 2.5% of our rental income for the year. The receivables are for past due rent and for damages charges. Dave suggested that when a tenant gets behind on their rent, we should immediately inspect their unit. Commissioner Knutson moved to approve the Tenant Write-Offs. The motion was seconded by Commissioner Kinman and unanimously approved.

Under the category of New Business was the LRPB Re-Roofing Contract. Mike reported that up to 28 LRPB buildings are in need of replacement roofing, gutters and downspouts, for total expected costs of \$200,000. We received 2 bidders, and request approval to award Washington Roofing the contract. Commissioner Griffin moved to

approve the LRPB Re-Roofing Contract. The motion was seconded by Commissioner Newville and unanimously approved.

Also under the category of New Business was the Heritage Place Apartments Authorizations. We continue to pursue the acquisition of Heritage Place. We are still in negotiations with the current owners, and with financial institutions for funding options. We are upset with Bowen for not being more cooperative with us on the deal signed 15 years ago, since we helped them get tax credits back then. But, it is still a worthwhile property that we can acquire at a reasonable price, and we feel we should proceed. We may not be able to close by June 30th as hoped in order to save about \$30,000 in property taxes. To eliminate this tax burden, staff is proposing we establish a partnership with HAYC as the General Manager. Staff is also requesting an amendment to the Board's previous approval of a purchase price of \$2,500,000 to an increased amount of \$3,200,000 or less. Commissioner Newville moved to 1) approve Resolution 08-05, authorizing the Executive Director to sign a "General Manager" agreement with Heritage Place Apartments Limited Partnership in order to secure property tax savings while we finalize the purchase and 2) authorize the Executive Director to sign necessary documents to purchase Heritage Place Apartments at a price of \$3,200,000 or less, including closing costs, contingent upon staff securing adequate financing for the purchase. The motion was seconded by Commissioner Griffin and unanimously approved.

Under the category of New Business was the Mission Statement for the Advisory Board. Elise provided an updated Advisory Board Mission Statement for discussion. After some discussion, it was agreed that the Mission Statement should be modified to read, "The Advisory Board is a group of individuals representing diverse fields, professions, and communities in Yamhill County. The overall goal of the Advisory Board is to aid, foster, encourage and increase access to affordable housing in Yamhill County." Commissioner Knutson moved to approve the Advisory Board Mission Statement as revised. The motion was seconded by Commissioner Kinman and unanimously approved.

Under the Management Report section, Dave asked Elise about her comment of the local fund account being compromised. Elise and James explained that 3 fraudulent checks attempted to clear our checking account, but our bank caught them and returned them to the issuing banks. The banks recommendation in situations like these is to close the account and open a new one, so we followed their advice and did so.

Phil asked if there were any FSS graduates that may attend the next meeting. Cliff said he was not aware of any at this time. Jonia suggested we could start inviting VIDA graduates or Rehab clients to future meetings and the board thought this was a really good idea.

Joyce adjourned the regular meeting at 8:40 p.m.

Respectfully Submitted,

Elise Hui
Executive Director/Secretary