

**MINUTES OF THE JUNE 26, 2007 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 26, 2007, 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, Mike Jager, Cliff Hardy, Yanira Vera and Judi Herubin. A guest in attendance was Kathryn Trammell, FSS graduate.

Chair Morrow called the meeting to order at 7:33 PM. Judi introduced Kathryn Trammell, a previous FSS graduate, and she shared a little about her experience in the program. Kathryn begins attending our financial literacy course with Karen next week. Joyce congratulated Kathryn, and presented her a graduation check for over \$6,000, and a certificate of achievement. Judi then excused Kathryn and herself from the meeting. Elise mentioned that though we already had 4 FSS graduates listed already on the agenda, we actually had an additional FSS graduate to add to that list for a total of five. Our 5 FSS graduates in the last month include: Tammy Aguirre, Mark Guedon, Grace Lopez, Toni Pankey and Kathryn Trammell.

Barbara said the minutes of the meeting on May 22nd need to be corrected to show that she attended the NAHRO conference, and that Dave did not. Elise apologized for the error and will make the corrections. Approval is for the minutes with corrections. Commissioner Newville moved to approve the minutes of the May 22, 2007 meeting. The motion was seconded by Commissioner Griffin and unanimously approved.

Commissioner Morrow said she reviewed the list of expenditures and didn't have any questions or concerns.

James reported on the financial reports. For the month of May we had a net loss of 5,248 and positive cash flow of \$9,761. Fiscal year-to-date net income has been \$221,569, and year-to-date cash flow has been a positive \$391,112. We accrued the first of Village Quarter developer fees in the amount of \$20,000. We anticipate accruing \$20,000 each month for the next 13 months.

Cliff reported on families served. Total families served increased 10 to 1,965. Overall occupancy decreased 1.02% to 97.54%. We've been running a little over 100% on S8 lease-up the last few months, and are now trying to lower to just below 100% in order to achieve 100% average for the calendar year. We are currently working on Section Eight Management Assessment Program (SEMAP) requirements. Yanira reported on occupancy. We had a strange happening at Vittoria where we had a confirmed move-in

into the one vacant unit there, but then the tenant disappeared, and we have been unable to contact him. A positive to this is that it opens up a unit for a new on-site manager as Beth Flores has resigned. We are currently advertising for her replacement. We are having greater than average turnover at Haworth Terrace and Abbey Heights recently. Abbey is a farmworker housing complex but unlike Rural Development funded properties we can fill a vacant unit with a non-farmworker family if there are no farmworkers on the waiting list. The vacancy reports for Tice and Woodside are a little misleading, as units were vacant at the end of May when numbers were asked to be reported, but were filled by early June. Dave asked if we're still trying to fill LRPB units. Elise said yes, as we still haven't submitted our conversion application to HUD and we will continue to fill vacancies until our application is officially approved by HUD and we determine how to move forward with disposition.

Mike reported on maintenance and construction. Average time to complete all work orders was 6.69 days. We had a surge in work orders, partly due to the inspection of all the LRPB units for conversion. Mike was generally pleased with the good condition of the units.

Mark reported on Development:

Jandina Park & Vittoria Square rehab: RD has recently requested additional information on our funding request which is a good sign but still no word from the review committee in DC.

Village Quarter: The project continues to progress although the projected start date has slipped to August 27th. We are over budget and have removed several features from the design but hope to eventually add some back with contingency funds. The Grand Ronde Tribal Housing Authority has informed us that the tribal council has declined to allow funds to be put into the project. The HOME environmental review is finally complete which allows us to purchase the Legard's land. We now have a signed sale agreement for the Legard land, and have paid \$25,000 earnest money. On June 28th we will have completed the purchase of the Draper land. We have begun negotiations with PNC, the tax credit investor, on legal conditions they want in the partnership agreement. PNC is requiring a contingency of \$400,000 on the project. Mark said we don't typically have ground breaking ceremonies on our projects, but this project is very high profile in our community, so we should probably have a ceremony. The Board agreed to this idea, with some agreeing to attend the ceremony. Dave suggested we keep a pictorial history of the progress on the project.

Village Quarter Budget Update:

Due to rapidly rising construction costs and the need to buy the Legard land instead of exchanging it for retail space, we've requested additional funds from OHCS. Now total sources and uses are up to \$12,530,427.

Under Unfinished Business Elise updated the Board on LRPD disposition. Recent developments include:

- a) In May, Mike and our realtor did a walk-through and inspection of every unit so that the realtor can make recommendations of any rehab work and to estimate current market values. A listing of estimated market values was provided, totaling \$9,029,000.
- b) We now have all the documents needed to submit an application to the SAC at HUD. We anticipate submitting the application soon.

Dave commented that he felt the fair market values of the duplexes don't seem as high as they should be. Elise said they realtor used comparable sales to determine the fair market values, and that actual appraisals will be coming after HUD approval of our application.

Under New Business we had the operating and capital budgets for FY2008. James prepared the operating budget for FY2008 and with Mike's assistance prepared the capital budget. We just learned our final CY2007 funding amounts for Section 8 last Friday, so James handed out a revised operating budget that reflects the final funding amounts. Projections are as follows:

\$11,557,643 – Total operating revenue
\$11,044,054 – Total operating expenses
\$ 152,242 – Total non-operating expense
\$ 361,347 – Net income
\$ 593,526 – Estimated cash flow

Commissioner Griffin moved to approve the FY2008 operating and capital budget. The motion was seconded by Commissioner Newville and unanimously approved.

Under New Business was Tenant Write-Offs for the previous year. Total receivables outstanding from tenants who have moved out are \$36,701. This is 1.7% of total rental income expected for the year, which is down slightly from 1.9% the year before. Yanira has recently been working with the managers on the delinquency listings and has discovered some of the amounts are actually corrections needed to the tenant ledger, and not bad debts. Therefore the Board is approving write-offs UP TO the amounts listed in the memo. Commissioner Knutson moved to approve the motion. The motion was seconded by Commissioner Newville and unanimously approved.

As part of the Management Report, Dave congratulated James and Yanira on graduating from the Chamber's Community Leadership program. Dave and Joyce are both prior year graduates as are Mark and Elise.

Under Additions to the Agenda, Elise handed out a draft of a board sub-committee reference guide that could be handed out as an orientation tool for new sub-committee members. She asked the Board to review it and provide recommendations. Elise also talked about recent marketing activity. Elise and Phil have been working on marketing ideas for the HA. Phil has found someone who will create a professional DVD that markets our programs and services. We would like to have one created ASAP, so that we can market to the Austins before their residential development in Newberg gets much further along. Phil has learned during his tenure as commissioner that HAYC has a great

story to tell of how we help the community, and we need to do a better job of marketing that story. After much discussion of marketing needs and the need for additional education to tenants, landlords and the public, it was acknowledged by all that we want to move forward with marketing and decided that the marketing subcommittee can work to make decisions as to how to do so and to what extent, keeping in mind the restraints of our budget for marketing efforts.

Joyce mentioned that she has come in contact with another potential person who may be able to assist with the marketing sub-committee and has passed his name along to Phil. Phil will be getting in touch with him to see how he would like to be involved in the process.

Dave is in contact with a possible Finance sub-committee member named Blaine Hanson. Blaine has said that he cannot commit for at least the next 6 months.

The meeting was adjourned at 8:56 PM.

Respectfully Submitted,

Elise Hui
Executive Director/Secretary