Missoula Housing Authority Board
Regular Board Meeting
Wednesday, October 29, 2019

-MINUTES-

Members Present: Jamie Hoffmann, Collin Bangs, Monique Casbeer, Jack Richards, Kila Shields

Members Absent: Mary Jane Nealon, Kaia Peterson

Staff Present: Lori Davidson, Jim McGrath, Sam Oliver, Adam Ragsdale, Debbie Hibbitts

Guests Present: Ryan Sudbury

I. Call to Order: The meeting was called to order at 12:00pm.

II. Attendance: See above

III. Regular meeting will be closed for Executive Session:
The meeting was closed at 12:00pm.

IV. Regular meeting will be reconvened
The regular meeting was reconvened at 12:10pm.

V. Farewell to Jamie Hoffmann, Board Chair and member of MHA’s board for 15 years!

VI. Approval of Minutes: Regular Board Meeting, September 18, 2019

1st: Casbeer
2nd: Richards
None opposed, motion passes.

VII. Commissioner Comments/Conflict of Interest Disclosure:

Casbeer: Missoula Mental Health Advisory Council would like someone from MHA on its board. We currently meet the 3rd Tuesday at 2pm-3:30pm, but we can change the time depending on when new members would like to meet. The point is to figure out what the gaps in services are. There are people from different agencies and people with mental illness serving on the board. I can answer any questions if you’re interested.

VIII. Public Comments on items not on the Agenda:

None
IX. Action Items:

a. Resolution #1101: Extension of Rector, Reeder & Lofton audit contract

Davidson: They’ve been our auditors for the last 5 years. We’ve had one extension of 2 years. We’re asking for another extension of 2 years. With the disposition of our Public Housing units into Voluntary Conversion and all the other things going on, we don’t have time to break in a new auditor. These are some of the most respected auditors in the country. We are confident they are the best we can get and they’re a delight to work with. They are reasonably priced, and we are really happy with them.

Davidson: The resolution in your Board packet is incorrect. It needs to be amended to read: “Now therefore be it resolved that the Board approves a two year extension of the contract for Rector, Reeder and Lofton and affirms that the Executive Director has been and is hereby authorized to take such steps to execute such documents consistent with the intent of the resolution.”

Bangs makes a motion to amend Resolution #1101 as read by Davidson.
2nd: Richards
None opposed, motion passes.

Casbeer makes a motion to accept Resolution #1101 as amended.
2nd: Richards
None opposed, motion passes.

b. Resolution #1102: Affirming Russell Square Apartments loan with U.S. Bank

Davidson: We’ve discussed this many times in other meetings, but we never had an official resolution authorizing the refinance. This is affirming your approval of that refinance. The loan closed yesterday, and we were given $318,000 at 3.45% for 7 years which covers the loan closing costs and $300,000 for needed repairs. (The total loan was $1,780,600, including the refinance of the current loan. – LD)

1st: Casbeer
2nd: Richards
None opposed, motion passes.

c. Resolution #1103: Trinity

Davidson: This is for the Housing Trust Fund application for Trinity, authorizing MHA to submit the application. This is similar to the resolution you passed for Cornerstone. It includes the federally required certifications needed when you apply for federal funds.

1st: Casbeer
2nd: Richards
d. Resolution #1104: Request for Development Fund money to fill the gap at Cornerstone

Davidson: The Cornerstone bids came in almost $½ million over budget. We took all the deducts and we’re still about that much over budget. We’ve been working with MMW Architects and Edgell Building to value engineering it. There will probably be some changes in the design, mostly affecting the roofs. I’ve been insistent that we keep the porches because I think that’s really beneficial for the tenants. We’re having some issues with the fire department and a no build zone. MMW is working on those and trying to come to a compromise with the fire department. If we have to do what they want, we won’t be able to do the project. We weren’t made aware of these requirements ahead of time, which is why it’s coming up now. But we’re working on it and hopeful we can come to a solution.

Sudbury: We’re dealing with the same issue at Hillview Crossing. My experience with fire department is there is more wiggle room with fire code than it appears. What I’ve seen is in lieu of “A”, we’ll require “X, Y, and Z” to mitigate the issue that “A” was supposed to fix. And “X, Y, and Z” are not specifically spelled out in the fire code. This is a project that the city and other partners want to see, so we can use that leverage to lobby the mayor’s office if we need to.

Davidson: We may be able to get a loan around $100,000 because this project could support some debt. This resolution is asking for up to $200,000 authorization to use from the Development Fund to fill a funding gap so we can make this project happen. I don’t know the exact amount needed yet because we haven’t completed the value engineering, but I will provide those figures when I know more.

1st: Casbeer
2nd: Richards
None opposed, motion passes.

X. Staff Reports:
   a. Villagio

Davidson: We had a bid of $58 million which made the project not feasible. We checked with the feds and state to ask them to relieve us of the obligation to go through another sealed bid process, but to go to a contract negotiation with the contractors so that we can actually have a project. They both approved that. We went forward with the process of interviewing the four general contractors who maintained interest throughout the bid process, although only one of them gave us a bid. Through that process, we eliminated two of them and maintained contact with two others: Jackson Contracting and Dick Anderson Construction. We set
up a second interview with each of those contracting firms, which took place on Thursday. We came up with a list of 8 questions we used for the contractors. They asked what their interest in the project was, why they wanted to be involved, what specifically they’d do with the site and the plans to reduce the cost to get it into budget, and did ask for specifics, asked things like who their team members would be, how they address their reputation, conflict, and change orders, and what other projects have they done. Dick Anderson came with some very specific and excellent suggestions for ways we can reduce the costs having to do with the retaining walls, shape of the building, site layout, the main plumbing lines structure, parking, etc. They specifically assigned team members. They compared our unit sizes and mix to projects they’ve already built and said that they thought there’s no reason we couldn’t bring this project into budget. When we interviewed Jackson Contracting, they were not able to give us anything specific about changing the site layout and didn’t have the kind of recommendations that Dick Anderson brought to the table. Dick Anderson was unanimously chosen by all the owners as the contractor to move forward with. We’ll be working with them on value engineering and a full redesign of the project.

Bangs: I was very impressed with Dick Anderson. All of their ideas were very well thought out. They weren’t afraid to say this is wrong throw it out. I think we do have a project again. It’ll be interesting to see how the architect will react when we tell them we need a redesign.

b. Voluntary Conversion

Davidson: We’re still working on the CAP fund work. The environmental reviews are almost complete. If we can start this year, we will.

c. Parkside and Russell Square loan conversions

Davidson: Russell Square just converted. We have not looked at the Parkside loan. I did speak with U.S. Bank yesterday a little bit about it. We’d have to refinance the MBOH loan which is in place at 4.9% with another 15 or 20 years on that loan. U.S. Bank expects the interest rates will drop again when the feds meet, so that may be the time to look at refinancing. It would be a 7-year loan, but we’d have additional money for repairs. If we kept the MBOH loan, we have assurance of low interest rate for longer time, but we don’t have the additional money for repairs. No decisions yet, but we’ll come to you when we do.

d. Cornerstone update

See discussion under Resolution #1104
e. Permanent Supportive Housing update (Trinity)

Davidson: There will be a HOME application, Housing Trust Fund application, and AHP application. MHA will sponsor HTF and AHP applications. Homeword will sponsor HOME application to city and/or state. This is all very preliminary. We’re setting up the general partnerships, LLP’s and applying for funds. We haven’t developed any plans yet other than very preliminary site plans needed for the applications. We haven’t chosen an architect for the project yet.

XI. Old Business:

None

XII. New Business:

None

I. Adjournment: The regular meeting was adjourned at 12:56pm.

Collin Bangs, Board Chair

Lori Davidson, Executive Director