Missoula Housing Authority Board
Regular Board Meeting
Wednesday, May 20, 2020

-MINUTES-

Members Present: Collin Bangs, Kaia Peterson, Jack Richards, Monique Casbeer, Mary Jane Nealon, Mike Nugent

Members Absent: Kila Shields

Staff Present: Lori Davidson, Jim McGrath, Mary Melton, Debbie Hibbits, Adam Ragsdale, Sam Oliver

Guests Present: Ryan Sudbury

I. Call to Order: The meeting was called to order at 2:03pm.

II. Attendance: See above

III. Approval of Minutes: Regular Board Meeting – April 15, 2020:

1st: Nugent
2nd: Nealon
None opposed, motion passes.

IV. Commissioner Comments/Conflict of Interest Disclosure:

None

V. Public Comments on items not on the Agenda:

None

VI. Action Items:

None

VII. Staff Reports:

a. COVID-19 updates

Davidson: We are starting to talk about how the office might be able to open up. We’re encouraging staff to work from home through end of May. We are looking at ways we can open up the board room for tenant meetings. That might look like getting carrels that are enclosed on 3 sides or getting some kind of plexiglass shields and giving masks to people. We’re looking at starting to do regular work
orders again. All of those things aren’t quite worked out yet. We’re polling staff to see what they’re comfortable with. We’ll also ask the board what they’re comfortable with for board meetings. I don’t think the board room is big enough that we could safely convene a meeting there. We might be able to meet in the Phoenix community room, but we wouldn’t have any dividers there, so we’d rely on masks and social distancing. Maclay Commons also has a community room, but it’s smaller. I’d rather not meet at River Ridge community room because we have a vulnerable population there. I recommend we continue to have Zoom meetings through June and then see where we’re at then.

McGrath: We received 6 additional mainstream vouchers as a result of the CARES act. Next month we can talk about the preferences if we want to adjust those.

b. Villagio update

Davidson: Sam and I had a very long conversation with the Villagio architects and Blue Line Development. We had some concerns about the way the community space and maintenance space was going to be laid out. It was a really good conversation and I think we made some good progress. We are still looking at the various heating systems.

c. Voluntary Conversion update

Davidson: I don’t know why we thought streamlined voluntary conversion would be streamlined or easy. It is coming together though. I’m hoping to have the application with all the changes ready this week. We’ll send it to HUD Denver to review one more time. We were able to use the state tax appraisal on the website instead of sending in an appraiser into all units. I don’t know why they care about what the value of the units are anyway because we’re not selling them. According to the tax appraisals, we have $19,117,000 in Public Housing property.

Oliver: We’ve been continuing on capital fund work. We’ve been replacing sidewalks, finishing up siding and windows and looking at replacing appliances.

McGrath: HUD must make a decision on the application within 90 days unless they come back and ask for more information. We have to give 90 days notice to the tenants, but I intend to do that the day after we submit the application to HUD. We then have to apply for the replacement vouchers after we’re approved. That has an unknown timeline, so it’s kind of a moving target.

d. Cornerstone update

Davidson: It was all going well until at one of the inspections we discovered that the contractor had not followed the spec on one of the steps in the process. So they’re having to take a step back and correct that.
Oliver: It was a difference in a vapor barrier. They were supposed to use a certain type, but used another type instead. There’s no harm but to their pocketbooks. Other than that, things are moving along really well. We’re getting ready to sheetrock inside and we're working on the roofing now.

e. Trinity update

Davidson: There have been many discussions on the entitlement work on the land and that is still not figured out. We’ve brought the sheriff’s department into those discussions which has brought up even more questions. We have a design team meeting tomorrow where I should get more information on where we’re at with that. There will be a meeting scheduled between county commissioners, the sheriff’s department, and city to discuss how we’re going to make that lot work. It’s becoming pretty time sensitive, so hopefully we’ll be able to make some decisions this month. Andrea and I are meeting with the Mayor on June 1 regarding the navigation center. At least one of the county commissioners will also be at that meeting. That navigation center really affects the design. I’m trying to be really conscious of how much parking we have there. It’s a tight site. It’ll be interesting to see how this plays out. We are looking at a predevelopment loan for $1.8 million. Neighbor Works will come in with $500,000 which is unsecured. Homeword has property available where we can get another $300,000 to $500,000 to secure. They are looking to us to fill the rest of the gap, which will be about $1.3 million. One of the properties we’re looking at is Valor House because there is no mortgage on that property. We also have two sources of income coming into that property, through the VA and the vouchers. This would only be for the length of the predevelopment phase, which maximum would be 18 months.

Sudbury: Is there anything from the VA prohibiting us from using Valor House for this?

Davidson: I have no knowledge of any restrictions on the property on how it’s used. The only thing they’ve said about disposing of the property is we’d have to pay them back for the prorated value of the grant based on how much we purchased it for. We aren’t planning to dispose of it though.

McGrath: If we use it as collateral, and it doesn’t work out and the bank takes it, we’d have to come up with the money to pay the VA. I don’t know if the lender knows we only have 30% of the value of it.

Davidson: Then that wouldn’t be enough. If we can’t figure out how to collateralize the loan, I’m not sure what the other option is.

Peterson: They might still look at the full value depending on if there were other assets that could be used to pay that.
Sudbury: We should make sure the lender knows so they can factor that into the value. And it’s possible they may want us to enter into some sort of an agreement to pay off the VA if it gets foreclosed on.

Peterson: The city of Missoula has expressed interested on providing guarantees in affordable housing projects. I think that multi-family developments on a short-term basis would be a perfect use of a city guarantee. Neighborworks Montana has $3 million of cash in the bank and we’d be happy to lend more if the city guarantee backs it. I think you’re going to get the best financing from Glacier Bank and they want to work with you.

Davidson: I’ll look up any restrictions the VA has and start there. We could also look at Maclay Commons, but I’m not sure it would be enough.

VIII. **Old Business:**

None

IX. **New Business:**

None

I. **Adjournment:** The regular meeting was adjourned at 2:46pm.

_Collin Bangs_  _Lori Davidson_

Collin Bangs, Board Chair  Lori Davidson, Executive Director

***Minutes approved via Zoom Board Meeting on June 17, 2020***