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"Providing Safe and Affordable Housing Opportunities"

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## **Board of Commissioners Meeting**

August 18, 2016  
5:30 p.m.  
PAHA Conference Room

### **AGENDA**

1. **Call to Order** – Robin Cruz, BOC Chair
2. **Invocation**
3. **Roll Call** – Robin Cruz, BOC Chair
4. **Approval of Agenda**
5. **Approval of Minutes BOC meeting** – July 20, 2016
6. **Opening Remarks** – Floyd Tortalita, Executive Director
7. **New Business**
  - a.) Resolution approving PAHA LIHTC Limited Liability Limited Partnership #1  
Project Documents – *Floyd Tortalita, Executive Director*
  - b.) Resolution approving officials of the PAHA with Signatory Authority for LIHTC  
Accounts at the Bank of Albuquerque – *Floyd Tortalita, Executive Director*
  - c.) 2017 Indian Housing Plan – *Owen Ondelacy, Finance Manager*
8. **Department Reports -**
  - a.) Finance – *Owen Ondelacy, Finance Manager*
  - b.) Housing Services – *Jennette Steward, Housing Services Manager*
  - c.) Development – *Francisco Carr, Development Manager*
  - d.) Executive Director's Update – *Floyd Tortalita, Executive Director*
9. **Announcements & Schedule Next BOC Meeting**  
September BOC Meeting – September 13, 2016 - 5:30 pm – PAHA Conference Room
10. **Adjournment**



**Minutes of July 20, 2016**  
**PAHA Board of Commissioners Regular Meeting**  
**PAHA Conference Room- 5:30pm**

**1. Call to Order:** 6:00 p.m.

**2. Invocation:** Commissioner, Damian Garcia

**3. Roll Call:** PRESENT: Chairwoman, Robin Cruz; Commissioner's Ezilda Paytiamio, Damian Garcia & April Estevan; PAHA Staff: Executive Director, Floyd Tortalita; Development Manager, Francisco Carr; Housing Services Manager, Jennette Steward; Finance Manager, Owen Ondelacy, and Recording Secretary, Krystal Vallo; GUEST: Craig Le Compte; ABSENT: 1<sup>st</sup> Lt. Governor, Raymond Concho, Jr.; Tribal Councilman, Ernest Vallo, Sr. & Vice-Chair, Patrick Ortiz

**4. Approval of July 20, 2016 Agenda:**

Commissioner, D. Garcia motioned to approve 7/20/16 Agenda, seconded by Commissioner, A. Estevan. Motion carried.

**5. Approval of June 22, 2016 Meeting Minutes:**

Commissioner, D. Garcia motioned to approve 6/22/16 Minutes, seconded by Commissioner, A. Estevan. Motion carried.

**6. Opening Remarks:** Floyd Tortalita, Executive Director

Mr. Tortalita informed the Board that there are two items under New Business and Mr. Le Compte will present the 2015 Audit. PAHA is moving forward with LIHTC project and will present investor selected.

**7. New Business**

**a) 2015 PAHA Financial Audit – Owen Ondelacy, Finance Manager**

Mr. Ondelacy introduced Craig Le Compte, who is the principal owner of Le Compte, P.C.; the auditing firm who conducted the audit for the year ending 12/31/15. A management letter was presented to the Board. A management letter comment is generated if there are areas of communication that needs to be communicated to the Board by standards that don't arise to the level of an item that should be considered a finding in the report. The two items addressed in the management letter are bank collateralization and the other on policies and producers (emergency purchases). Page 1 of the audit report begins with the Independent Auditor's Report. On pages 4-7 is the Management's Discussion & Analysis, and on pages 8-10 Financial Statements. On pages 11-14 is the Notes of Financial Statements and basically are highlights of the amounts that are talked about in the Financial Statements. On pages 15-16 is the CFDA and PAHA barely made the threshold for a single audit. A single audit is conducted if an entity has spent over \$750,000 and a Government Auditing Standards (GAS) report as well (pages 17-18). If an entity was under the \$750,000 threshold a single audit and a GAS report would not be done. On pages 19-21 is the Uniform Guidance Major Compliance report and PAHA's major program is the Indian Housing Block Grant (IHBG). Findings can be a material weakness or a significant deficiency. If a finding is a material weakness, that is not good for the entity. On page 22 is a synopsis of what happened in the audit and PAHA got an unmodified opinion. PAHA was also found to be a low-risk auditee. On pages 23-26 describes the two findings. First finding was in the Financial Statements. In 25 payroll disbursements tested: leave slips were not pre-approved in nine transactions; a time sheet and a leave slip were not signed by the supervisor; no supporting documentation for administrative leave was provided in eight transactions; paid hours did not agree to the time cards in seven transactions, total hours were less than paid by four hours. Second finding deals with Title 2. Title 2 was implemented last year and what it calls for is for entities to update their policies & procedures, but entities were allowed to delay for two years. PAHA can generate a resolution to amend Title 2, which will allow PAHA some time to update policies and procedures. However, PAHA will not have the full two years, but a year and six months because six months have already gone by. There were no inquiries.

**b) PAHA LIHTC Homes #1 Investor – Floyd Tortalita, Executive Director**

Mr. Tortalita presented the approval to enter into contract with Raymond James as PAHA's tax credit investor for the LIHTC project. In the Board packet was a copy of the procurement that was sent out. Letters were sent out to several companies that deal with tax credit. These are the companies that will give the money and buy the tax credits. With the assistance of Travois we sent out notices to several companies that they currently deal with. PAHA received three bids by Alden, Raymond James, and RBC. In the end Raymond James gave us the most favorable investment. PAHA is recommending Raymond James to be selected as the investor for PAHA LIHTC Homes #1 new construction project. **Damian:** What does it mean to purchase the tax credits? **Response:** We were given an allocation of tax credits, so the company Raymond James is buying that tax credit. They get a credit on their annual taxes that they submit to the IRS. **Damian:** So in a sense it's like he is given us a loan? **Response:** He is giving us \$7 million dollars that we do not pay back because he bought them. It is a loan that he gave to the Federal Government by buying those tax credits. There were no further inquiries. Commissioner, E. Paytiano motioned to accept resolution to enter into contract with Raymond James, seconded by Commissioner, A. Estevan. Motion carried. Approving the Letter of Intent from Raymond James Tax Credit Funds, Inc. for the PAHA LIHTC Homes #1 Project- Resolution No. PAHA-0720-2016-01 passed in a vote of 4 for and -0- against.

#### **8. Department Reports- (For more information refer to July 2016 Board Packet.)**

##### Finance Department – Owen Ondelacy

For the month of June PAHA had three conference calls with Travois, areas covered were the Reservation Letter & Fee of \$57,572.85, which was delivered to MFA on June 16<sup>th</sup>; Plans & Specs; Investor Selection; GP Attorney for Closing; Partnership Account and Tetra Tech was selected as surveyor. Mr. Ondelacy submitted documents to Le Compte to wrap up the 2015 audit. Jennette and Owen assisted the Development Manager with interviews for the maintenance position. Three interviews conducted. Travois provided a sample RFP for selecting the Partnership Account. Mr. Ondelacy made changes as needed and RFP will go out at the end of July and hopes to make a selection the 1<sup>st</sup> or 2<sup>nd</sup> week of August. Upcoming tasks are submitting the finalized 2015 audit to the Federal Audit Clearinghouse (FAC) after July 31<sup>st</sup> or sooner and working on the 2017 IHP. Mr. Ondelacy hopes to have IHP ready to present to the Board for approval at the August Board meeting. Expenditure Report: New line item added: PAHA LIHTC 1. **Damian:** The water main extension meeting took place in June? **Response:** Yes, an update meeting. **Damian:** So there hasn't been any expenditure of funds yet and when will that happen? **Response:** No funding has been expended and construction is anticipated to begin in the fall. **Damian:** Is there a limitation on funding or is there a matching part to this? **Response:** PAHA set aside a million for construction cost and Tribe has an MOU in place with the State for a grant they received for planning and development. There were no further inquiries on Mr. Ondelacy's report.

##### Housing Services Department – Jennette Steward

H.S. staff continues to monitor all tenant accounts. Annual Inspections (4 low rent, 2 lease purchase, & 1 mutual help), follow-up inspections (7 low rent & 1 lease purchase) and annual recertification's (4 low rent, 4 lease purchase, & 1 mutual help) were conducted for the month of June. The H.S. staff continues to meet with prospective applicants, community members, tribal officials, and other interested parties pertaining to housing. Two applicants will be moving into the following vacant units and orientations were conducted in the month of June: 26 Evergreen Drive- C. Poncho on July 1<sup>st</sup> and 26 Pinon Street- L. Martinez on August 1<sup>st</sup>. H.S. Department successfully completed homeownership month activities on June 4<sup>th</sup>-5<sup>th</sup>, 2016. Thank you letters and certificates of appreciation went out to all vendors, exhibitors, presenters, and companies who donated. On June 8<sup>th</sup> Housing Services conducted first initial orientation for the 4 applicants that were selected for the ICDBG Homeownership Home Construction Project. When the application process was being done, Debra Webster helped finalize the waiting list and applicants were selected on March 1<sup>st</sup>. Debra Webster helped make sure that applicants were eligible. Mrs. Steward assisted Development Manager with interview process for Maintenance worker position. Three interviews conducted. On June 20<sup>th</sup> all PAHA staff attended a Legal Shield presentation given by Kevin Griffith. **Robin:** For confidentiality purposes, maybe not put the names but account numbers. **Response:** Yes, I will do that. **Damian:** Is there a separate application for the LIHTC homes? **Response:** It is the same application; it's just that the income limits are a lot lower. We are going to be servicing people below 60%. **Damian:** Are they going to be apartments? **Response:** Yes, but more like town homes. There were no further inquiries on Mrs. Steward's report.

##### Development Department – Francisco Carr

Development staff continues to accept rehabilitation applications. As of 6/30/16 there are 47 applicants on the rehab waiting list (below 80%), 6 applicants on the modernization waiting list, and 8 applicants on the rehab waiting list (over 80%). Seven recertification applications have been returned and will remain on waiting list. Six applicants removed from waiting list due to over-income or prior work within last 5 years. Two new applications were received but are currently under review. 2015 Rehabilitation (14 Homes): Phase I-1 and Phase I-2 projects were awarded to Star Hill Enterprises. Contract end date is July 29<sup>th</sup>. Phase II-1 and Phase II-2 projects were awarded to Rock Gap Engineering on June 22<sup>nd</sup>. Contracts signed on June 28<sup>th</sup> for 70 days of construction. Notices to Proceed signed and issued on June 28<sup>th</sup> as well. They began storage container delivery on July 14<sup>th</sup>. Construction for both phases to begin July 25<sup>th</sup>. 2015 Acomita Sewer Main Extension Project: A project update meeting was held on June 28<sup>th</sup> and plan set is approximately 75%-80% complete. Procurement, pre-bid and contract documentation was also discussed to ensure PAHA's policies and procedures are followed to ensure compliance with NAHSDA requirement. PAHA is doing the procurement part, advertising and what not, but when it comes to the pre-bid conference IHS will run that. IHS will review bids and will help select contractor. Next update meeting is scheduled for 7/27/16. Pending Projects are the 2015 Modernization of 3 homes, 2016 IHBG Rehabilitation of 10 homes, and 2016 ICDBG New Home Construction of 4 homes. The Maintenance Department completed 8 work orders and 1 courtesy call to a non-PAHA home. Fourteen open work orders as of 6/30/16 and two vacant rental units. However, one unit has been occupied on July 1<sup>st</sup>. Development/Maintenance staff participated with PAHA Annual Housing Fair and Fun Run/Walk. Development Manager assisted Housing Services with presentation of the ICDBG 4 Home Development Project held on June 8<sup>th</sup>. Development Manager continues to participate in weekly conference calls with Travois. Interviews for maintenance worker position were held on June 13<sup>th</sup>. Selected applicant declined, so therefore PAHA went to the next qualified individual. Wayne Salvador is the new maintenance worker and began work July 18<sup>th</sup>. Project Manager currently vacant and will be advertised until filled. No applications to date. There were no inquiries on Mr. Carr's report.

#### Executive Director Report – Floyd Tortalita

A couple issues here, first the HUD Report of Housing Needs in Indian Country that report was made available July 20<sup>th</sup>. This report was congressional mandated and the Pueblo of Acoma was selected as one of the participants to get a full assessment. They did do site assessments on 30 homes, interviewed 30 individuals, made phone calls and meet with the Housing Authority. Unfortunately we are not permissible to that information, it is all confidential. Again that report was made available for review and comment, but it does not specify Tribes it is just one whole document. Next, the Pueblo of Acoma Residential Leasehold and it is an issue that has been talked about over and over again. The draft of the Residential Leasehold that is going to be presented to Tribal Administration was included in the Board packet. August 2<sup>nd</sup> PAHA will meet with Tribal Administration and will give a presentation on the Residential Leasehold. Then PAHA will be given a date and time to meet with Tribal Council. HUD to Establish a Tribal Intergovernmental Advisory Committee (TIAC) is something HUD has talked about for the past couple years. HUD is requesting comments and recommendations regarding the establishment of a TIAC, consisting of tribal representatives, to assist HUD further develop and maintain its Indian housing programs. Total Development Cost (TDC) for Affordable Housing under NAHSDA is the dollar amount we can spend on total development on construction. For New Mexico \$262,829 is the amount we can spend for total development of a one bedroom home and the amount goes up for a two, three, four, or five bedroom homes. TDC is based on location. TDC is also required for ICDBG because it is a HUD program. PAHA is moving forward with LIHTC project and are on track. Furthermore, Mr. Tortalita attended a meeting at MFA on July 20<sup>th</sup> in regards to the 2717 QAP, which is the application process. MFA proposed changes to how points are awarded based on past allocations. A handout was given to all Board members in attendance in regards to the AMERIND Risk Institute Semi Annual Conference, October 4<sup>th</sup> & 5<sup>th</sup> at Sandia Resort & Casino. Board members were encouraged to notify PAHA if they would like to attend, so the necessary travel arrangements can be made. There were no inquiries on Mr. Tortalita's report.

#### **9. Announcements & Schedule August 2016 Meeting:**

Next scheduled BOC meeting will be held on Tuesday, August 9, 2016 at 5:30 p.m. – PAHA Conference Room.

#### **10. Adjournment:**

Meeting adjourned @ 8:39 p.m., motion made by Commissioner, A. Estevan, seconded by Commissioner, E. Paytiano. Motion carried.

Respectfully submitted



Krystal Vallo,  
Transcribing Secretary