

**MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS OF
THE EL PASO COUNTY HOUSING AUTHORITY**

The Board of Commissioners of the El Paso County Housing Authority (the “Authority”) met on May 8, 2019, at 12:00 P.M., at Nine East Vermijo Avenue, in the City of Colorado Springs, County of El Paso, Colorado.

Members of the Authority were present as follows:

Jack Beuse
Martie Stott
Laurel Wright
Steve Posey (via telephone)
Henry Yankowski (via telephone)

Members Absent:

N/A

Also present were:

Crystal LaTier and Jennifer deGive, El Paso County Economic Development Department
Amy Folsom, El Paso County Administrator
Commissioner Cami Bremer, El Paso County
Lisa Kirkman, El Paso County Attorney’s Office
Fred Marienthal, Kutak Rock
Mark O’Brien, Raymond James
Brandon Musser, Security Properties
Casey Cameron, Tirol Housing
Mary Stegner, Partners in Housing
Nate Clyncke, Rocky Mountain Community Land Trust
Jeff Finn, Nor’wood Development Group
Jackie Jaramillo, Springs Rescue Mission

Commissioner Beuse called the meeting to order at 12:00 P.M.

I. Consideration of Meeting Minutes of April 10, 2019

Commissioner Stott moved approval of the minutes and, upon a second by Commissioner Posey, the motion passed unanimously.

II. Financial Items

A. Financial Reports

B. Housing Trust Fund Commitments

As of April 30, 2019, the Authority’s Housing Trust Fund cumulative balance is approximately \$5,859,430 with outstanding commitments of \$1,958,626 leaving an available balance of \$2,100,004 for future funding requests if a \$1.8M corpus is maintained. Outstanding loan commitments currently include Springs Rescue Mission’s Greenway Flats for \$500,000, tentatively closing in Fall 2019, and three conditional awards including Greccio’s Atrium at Austin Bluffs for \$575,000, Colorado Springs Housing Authority’s (CSHA) Shooks Run for \$500,000, and Zimmerman Properties’ Villas at Mesa Ridge for \$350,000 – all under conditional approval pending LIHTC awards from CHFA, and loan commitments expiring December 31, 2019 for Atrium and Shooks Run and March 2020 for The Villas at Mesa Ridge. Additionally, outstanding Contract for Service

commitments include \$26,707 in Emergency Rental Assistance to various nonprofit agencies and \$6,919 to Brothers Redevelopment for its Housing Counseling Program. Of note, the \$150,000 in conditional funding to Salvation Army for its Low-Barrier Shelter Remodel has been cancelled.

C. Report of Expenditures/Outstanding Payables

The report noted expenditures for 2nd Quarter Administrative services and a correction to the 1st Quarter, an advance for per diem for Commissioner Posey at the upcoming NALHFA Conference, and Brothers Redevelopment for housing counseling services.

III. Raymond James- Turnkey Plus Quarterly Update

Mr. Mark O'Brien of Raymond James provided the Authority with an update in regard to the performance of the Turnkey Program. He noted that since the inception of Turnkey in January 2013, 2,419 loans have been made in the amount of \$444 million total in mortgage funds and over \$17 million in DPA grants, as of March 31, 2019. He then provided an overview Turnkey Plus Program, which launched on February 15, 2019, and the need for these program structure adjustments to ensure our programming is meeting the current market demands and remaining competitive with other state DPA programs. Turnkey Plus has had 11 loans reserved totaling \$2.64 million since the February 15, 2019 launch. There are some external headwinds to consider including rising single family home prices and interest rates. Mr. O'Brien noted that based on recent lender feedback, the Authority may wish to consider a 3% and 5% DPA option in addition to the current 4% option in the coming quarters, once summer buying season statistics can be analyzed.

IV. Inducement Resolution Requests

A. Security Properties- Winfield Apartments

Mr. Brandon Musser provided a presentation on the 160-unit rehabilitation project in Stetson Hills. The complex, which was built in 2001, will require a \$32 million total investment with a \$19 million Private Activity Bond allocation. Mr. Musser noted that there is a partnership with the Colorado Springs Housing Authority and a real estate tax exemption component. Current occupants will be able to maintain their homes after the renovations are complete. There is an anticipated closing date no later than October 31, 2019. Security Properties is requesting El Paso County issue the \$19 million in Private Activity Bonds for the project.

B. Tirol Housing- Barnes Apartments

Mr. Casey Cameron provided a presentation on the 242-unit new construction project. The project will be geared largely toward families making less than 60% AMI. It will require \$17.5 million in Private Activity Bonds, which is \$1.5 million more than their original estimate. There is an anticipated closing date no later than September 30, 2019. Tirol Housing is requesting that El Paso County issue the \$17.5 million in Private Activity Bonds.

(Commissioner Posey exited the meeting via telephone at 1:10 PM)

(Commissioner Beuse exited the meeting at 1:13 PM)

V. Trailside Update

Ms. Mary Stegner and Mr. Nate Clyncke addressed the Authority concerning the Notice of Default asked for a consideration of an extension and possible promissory note amendment for the Trailside Manor project due to a newly proposed financing structure that they are considering.

(Commissioner Posey entered the meeting via telephone at 1:23 PM)

Ms. Stegner noted that the CDBG-DR Funds will no longer be utilized and that they have obtained a builder, Challenger Homes. Updated financial projections were provided, and discussion will be continued at the June meeting.

(Commissioner Wright and Mr. O'Brien exited the meeting at 1:30 PM)

VI. Springs Rescue Mission Discussion

Ms. Jackie Jaramillo of Springs Rescue Mission presented to the Authority the importance of the Greenway Flats project and some recent data regarding homelessness in Colorado Springs. Mr. Jeff Finn of Nor'wood Development Group provided an update that construction should be finished between May 21 and May 26, 2019, as well as an update regarding the financial and final ownership structure. Nor'wood is holding the LIHTCs with a future price estimate of \$.95 per \$1.00. Mr. Finn requested that they assume the \$500,000 loan granted from the Authority in Fall 2019 when they complete their second closing.

VII. Continued Discussion from Last Meeting- HTF Requests

A. Homeward Pikes Peak- The Commons

Discussion was had regarding concerns with the location of the project, the surrounding business properties of the project, and the if the project could assist with revitalization of the area or if there were concerns regarding concentration of poverty in the area.

Commissioner Posey made a motion to approve The Commons for a conditional loan of \$250,000, however, there was not a second, and the motion was denied.

B. BCR- Telsa Commons

Discussion was had in regards to some of the concerns with the project. The major concern came down to the site location's proximity to the railroad and the impacts of that on potential residents, as well as, the fact that the project seemed very early on in the development planning process.

Commissioner Beuse made a motion to deny Telsa Commons as presented. Upon a second by Commissioner Wright, the motion passed unanimously.

C. Pedcor- The Creek at Cottonwood

Discussion was had about the project development elements and Pedcor's current request to the El Paso County Housing Authority. Ms. LaTier and Mr. Posey also updated the Board on the HOME commitment through the City of Colorado Springs Community Development Division. The tight project timeline and private activity bond expiration dates was also discussed.

Commissioner Stott made a motion to approve the Creek at Cottonwood for a conditional \$400,000 secured loan, with a 1% interest rate, amortized based upon cashflow, with a 20

year term, contingent on bond closing by October 1, 2019. Upon a second by Commissioner Posey, the motion passed unanimously, with Commissioner Wright recusing herself.

VIII. Other Business

Ms. LaTier noted that the 2018 Housing Authority Audit will be presented at the June meeting, along with a Housing Trust Fund Request from Silver Key. Commissioner Stott requested staff assist the Authority with a strategic planning session regarding Housing Trust Fund financials and commitments.

IX. Adjournment

The meeting adjourned at 2:08 P.M.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted at the Centennial Hall Building, May 7, 2019.